

REPORT

OF THE

DELEGATES OF INDIA

TO THE

SECOND SESSION OF THE ASSEMBLY

OF THE

LEAGUE OF NATIONS



TABLE OF CONTENTS.

INTRODUCTORY	Paras. 1-11
Election of the Judges of the Permanent Court of International Justice	12-18
Matters dealt with by Committee No. I	19-42
(a) Amendments to the Covenant :—	
	Paras.
(i) <i>Article 1 (Membership of the League)</i>	20-21
(ii) <i>Articles 3, 12, 13 and 15 (Meetings of the Assembly and Disputes between Members)</i>	22-25
(iiii) <i>Article 21 (International Engagements)</i>	26
(iv) <i>Article 10 (Guarantee against External Aggression)</i>	27
(v) <i>Article 18 (Registration of Treaties)</i>	28-29
(vi) <i>Articles 5 and 26 (Method of effecting Amendments)</i>	30-36
(vii) <i>Article 4 (Non-permanent Members of the Council)</i>	37-38
(viii) <i>Article 5 (The Principle of Unanimity)</i>	39
(b) Protection of Minorities	40
(c) Amendment of the Rules of Procedure	41-42
Matters dealt with by Committee No. II	43-60
(a) The Economic and Financial Committee	43-52
(b) Communications and Transit	52-55
(c) The Health Organisation	56-59
(d) International Statistics	60
Matters dealt with by Committee No. III	61-69
(a) Armaments	61-64
(b) Economic Blockade	65-69
Matters dealt with by Committee No. IV	70-119
(a) Organisation of the Secretariat and of the International Labour Office	70-90
(b) Allocation of the Expenses of the League	91-110
(c) Audited Accounts and Budget	110-119
Matters dealt with by Committee No. V	120-151
(a) The Traffic in Opium	120-136
(b) Deportation of Women and Children	137
(c) The Traffic in Women and Children	138-146
(d) Typhus	147-148
(e) The International Co-ordination of Intellectual Work	149-150
(f) Eastern Galicia	151
Matters dealt with by Committee No. VI	152-160
(a) Admission of new States to the League	152-153
(b) Albania	154-155
(c) Famine in Russia	156-157
(d) National Home for Turkish Armenians	158
(e) Mandates	159-160
Miscellaneous Questions	161-164
(a) Poland and Lithuania	161
(b) Repatriation of Prisoners of War	162
(c) A Universal Language	163
(d) Election of the non-permanent Members of the Council	164
Concluding Remarks	165

(For List of Appendices *see* page 50.)

REPORT OF THE DELEGATES OF INDIA TO THE SECOND SESSION OF THE ASSEMBLY OF THE LEAGUE OF NATIONS.

TO THE RIGHT HONOURABLE E. S. MONTAGU, M.P., HIS
MAJESTY'S PRINCIPAL SECRETARY OF STATE FOR INDIA.

SIR,

We beg to submit our Report on the proceedings of the second session of the Assmblly of the League of Nations at Geneva, at which we had the honour to represent India.

It may be mentioned that confidential weekly reports were sent by Sir William Meyer to the Under Secretary of State for India, and copy of the same to His Excellency the Viceroy.

2. The Assembly met on Monday, 5th September. This year there were 48 States with the right to send representatives, but none appeared from Argentina, Guatemala, Honduras, Nicaragua, Peru and Salvador. A list of the delegates of other States will be found in Appendix I. As stated in paragraph 152, three new member States—Esthonia, Latvia, and Lithuania—were subsequently elected, and their delegates then took part in the Assembly's business.

3. Mr. Wellington Koo (China), as being for the time President of the Council, took the chair at the opening of the Assembly and made a good opening address.

4. The first business undertaken was the election of a Committee of eight members to examine the credentials of the delegates to the League. H. H. the Maharao of Kutch was one of the representatives on this Committee.

5. The next step was the election of a President, and M. van Karnebeek (Netherlands) was elected after a contest with M. da Cunha (Brazil). The British Empire Delegations had resolved to support M. van Karnebeek on the ground that it was not advisable that the President of the Assembly should belong to a State represented on the Council. M. van Karnebeek, however, filled the office in a satisfactory manner. At a subsequent meeting M. Ador (Switzerland) was elected Honorary President.

6. On the 6th September six Grand Committees were constituted to deal respectively with matters relating to: (1) constitutional and legal questions; (2) international technical organisations (transit, health and economic and financial); (3) armaments and blockade; (4) League finance and secretariat organization; (5) humanitarian questions (opium, typhus, traffic in women and children, etc.); and (6) political questions, such as the admission of new States to the League. Each State represented at the Assembly had one representative on each Committee, and the distribution of the work among the various Committees was as follows:—

NOT REFERRED TO ANY COMMITTEE.

General Report by the Secretary-General on the work of the Council and the Secretariat and upon the measures taken to execute the decisions of the Assembly.

Permanent Court of International Justice.

Report on the ratifications of the Protocol drawn up last year for the constitution of the Court.

Election of Judges (paragraph 12).

Appointment of the four non-permanent Members of the Council (paragraph 164).

A resolution by Lord Robert Cecil that greater publicity should be given to the Council's proceedings. This was adopted on the 16th September (Appendix II, Resolution No. 41).

COMMITTEE No. I.

Report by the Council on the conclusions of the Committee on Amendments to the Covenant.

Report by the Council on the conclusions of the Committee appointed to examine the scope and intentions of Article 18 of the Covenant from a legal point of view.

There were subsequently referred to this Committee :—A resolution by Professor Gilbert Murray on the subject of the protection of minorities, and a proposal by Lord Robert Cecil for the simplification of voting by an amendment to the Rules of Procedure.

COMMITTEE No. II.

Report of the work of the Advisory Economic and Financial Committee.

Report of the Advisory and Technical Committee on Communications and Transit.

Report of the Technical Committee of the International Health Organisation of the League.

Organisation of International Statistics.

COMMITTEE No. III.

Report on the conclusions of the temporary Commission on the Reduction of Armaments.

Report on the conclusions of the International Blockade Committee.

COMMITTEE No. IV.

Report from the Committee appointed to examine the organisation, etc., of the Permanent Secretariat and the International Labour Office.

The allocation of the expenses of the League, including the report by the Council on the conclusions of the Committee appointed to study this question.

Draft Budget for 1922.

Audit of accounts for second fiscal period (1st July to 31st December 1920).

Auditor's Report.

COMMITTEE No. V.

Presentation by the Council of the Report of the Advisory Committee on the Traffic in Opium.

Report by the Council on the work of the Commission of Enquiry with regard to the Deportation of Women and Children in Turkey and adjacent countries.

Report by the Council on the International Conference on the Traffic in Women and Children.

Report by the Council on the Typhus campaign.

Report by the Council on the International Co-ordination of Intellectual Work.

There was subsequently referred to this Committee :—A resolution by Mr. Doherty (Canada) on the status of Eastern Galicia.

COMMITTEE No. VI.

Requests for admission to the League by :—

Estonia,

Hungary,

Latvia,

Lithuania,

And as regards Albania—

(1) The decision adopted by the Council of the League of Nations on 25th June 1921, in regard to the request of Albania concerning her dispute with Greece and the Serb-Croat-Slovene State.

(2) Appeal by the Government of Albania against the occupation of certain territory by troops of the Serb-Croat-Slovene State.

There were subsequently referred to this Committee:—Dr. Nansen's resolution on the subject of Famine in Russia; Professor Gilbert Murray's resolution on the subject of a national home for Turkish Armenians; Lord Robert Cecil's resolution on Mandates.

7. Sir William Meyer represented India on Committees II and IV, Mr. Sastri on Committees I and V, and H. H. the Maharao of Kutch on Committees III and VI.

The distribution of Committee work among the delegates was affected by the fact that it had been determined that, for time-table purposes, these Committees should form two groups—those of group A. *viz.*, Committees I to III, to meet simultaneously on the afternoons of Monday, Wednesday and Friday (the mornings being reserved for the full Assembly), and those of group B, *viz.*, Committees IV to VI, to meet on the afternoons of Tuesday, Thursday and Saturday. But the delegates of India were, of course, in close inter-communication throughout.

8. The Committees elected the following Chairmen and Vice-Chairmen:—

Committee No. I.—Chairman, M. Scialoja (Italy); Vice-Chairman, M. Urrutia (Columbia).

Committee No. II.—Chairman, M. Jonsco (Rumania); Vice-Chairman, M. Freire d'Andrade (Portugal).

Committee No. III.—Chairman, M. Branting (Sweden); Vice-Chairman, M. de Agüero y Bethancourt (Cuba).

Committee No. IV.—Chairman, M. Edwards (Chile); Vice-Chairman, M. Herluf Zahle (Denmark).

Committee No. V.—Chairman, Mr. Doherty (Canada); Vice-Chairman, M. Tang Tsai-Fou (China).

Committee No. VI.—Chairman, M. le Comte de Gimeno (Spain); Vice-Chairman, M. Escalante (Venezuela).

There was a general feeling that members of the League Council should not preside over Committees, and no such member was elected.

9. The Assembly then proceeded to the election of six general Vice-Presidents, who, with the six Chairmen of Committees and the President, form the Bureau for the general control of the business of the Assembly. At the first ballot only five nominees had an absolute majority, and a second ballot was necessary between M. Benes (Czecho-Slovakia) and M. Torriente (Cuba), the former being elected. The final list was as follows:—

M. Bourgeois (France), M. da Cunha (Brazil), Mr. Balfour (Great Britain), Viscount Ishii (Japan), M. Hymans (Belgium), M. Benes (Czecho-Slovakia).

The British Empire Delegations would have been very glad had H. H. the Maharao of Cutch been elected one of the Vice-Presidents, but the success of his candidature was handicapped by his being new to the Assembly. In these circumstances, it is gratifying that he received several outside votes.

10. At the meeting of 7th September, the Assembly confirmed the provisional Agenda for future meetings, which had been placed before it by the Secretariat, and this gave rise to a lively debate between the representatives of Bolivia and Chile regarding a request by the Bolivian Government for the inclusion in the Agenda of the application of Article 19 of the Covenant to a treaty of peace between Bolivia and Chile signed in 1904. It was eventually decided, after the question had been submitted to a special Committee

of Jurists, that the Bolivian request was out of order, because the Assembly could only invite the Members of the League to reconsider treaties in certain conditions set forth in Article 19, and would, in the present instance, have to consider as a preliminary whether these conditions did in point of fact exist; and Bolivia then withdrew the proposal, but with a reservation as to bringing it up on a future occasion. It may be noted here that Poland withdrew her request for the inclusion in the Agenda of a proposed amendment to Article 6, paragraph 3 of the Covenant, dealing with national representation on the Secretariat.

11. At the meeting of the 8th September the Assembly began a general discussion, which lasted until the 17th September, on a bulky report on the work of the Council and the measures taken to execute the decisions of last year's Assembly. In the course of the debate Mr. Sastri made a speech which was most warmly applauded, and the full text of which will be found in Appendix IV (Annex 1).

ELECTION OF THE JUDGES OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE.

12. On 14th September the Assembly met both morning and afternoon, and nearly the whole of these two sittings was taken up by action in respect of election of Judges for the Permanent Court of International Justice, a matter which gave rise to a great deal of lobbying.

It should be noted that under the constitution of the Court the Council of the League and the Assembly have equal powers in regard to the selection of Judges, so that an agreement between the two is requisite.

13. Each body had thus to select 11 Judges, and at the first Assembly ballot an absolute majority of votes, which was requisite, was obtained by—

M. Altamira (Spain).

M. de Bustamante (Cuba).

M. Alvarez (Chile).

Viscount Finlay (Great Britain).

M. Anzilotti (Italy).

M. Loder (Netherlands).

M. Barboza (Brazil).

M. Oda (Japan).

M. Weiss (France).;

Most of these persons had been voted for by the Indian Delegation after consultation with the other Empire Delegations, and we also voted for Mr. Amir Ali, whom our sister delegations likewise supported, and for Sir Robert Borden, but Mr. Amir Ali only got seven votes and Sir Robert Borden 12.

14. It was then necessary to vote again for two other Judges, and the original intention had been that the procedure should be that laid down in the Assembly's Rules of Business in respect of election to plural appointments, such as Vice-President, *viz.*, that the second ballot should be confined to those persons, not exceeding double the number of places still to be filled, who had obtained the largest number of votes on the first ballot.

It was contended, however, by M. Fernaudes (Brazil) that this domestic procedure of the Assembly was not applicable to the method of election for the Judges, which ought to be carried out, under the terms of the Statute of the International Court, in the same manner throughout. After some discussion this proposal carried the day, and it was resolved that at every ballot delegates should be entitled to vote for anyone they pleased. This method, of course, lengthened the proceedings by the scattering of votes.

On the second ballot Mr. Moore (United States) got an absolute majority, but it was not until the fifth that such a majority was obtained by M. Huber (Switzerland).

15. Nine of the 11 candidates thus selected by the Assembly also found favour with the Council, but in regard to two selections there was difference, the Council having voted for M. Nyholm (Denmark) and M. Descamps (Belgium), while the Assembly had preferred M. Alvarez (Chile) and M. Huber (Switzerland). A further vote was, therefore, necessary, and this resulted in

the Assembly adopting M. Nyholm (Denmark), but standing out for M. Huber (Switzerland) as against M. Descamps (Belgium). The Council accepted this solution, so that the 11 Judges were finally constituted thus :—

M. Altamira (Spain), M. Anzilotti (Italy), M. Barboza (Brazil), M. de Bustamanto (Cuba), Viscount Finlay (Great Britain), M. Huber (Switzerland), M. Loder (Netherlands), Mr. Moore (United States), M. Nyholm (Denmark), M. Oda (Japan), M. Weiss (France).

16. The Assembly then went on to the election of four substitute Judges to take the place of regular Judges who might be incapacitated, and the Indian Delegation (and the British Empire Delegations generally) made great efforts to obtain the selection of Mr. Amir Ali.

On the first ballot M. Alvarez (Chile) and M. Negulesco (Rumania) obtained an absolute majority, while Mr. Amir Ali secured 13 votes, increased to 14 on the second ballot, which latter gave no conclusive result. On the third ballot Mr. Amir Ali's votes dropped to nine, and an absolute majority was obtained by Mr. Wang Chung-Hui (China) and Mr. Yovanovitch (Serb-Croat-Slovene State).

The Assembly's list was thus constituted as follows :—M. Alvarez, M. Negulesco, Mr. Wang Chung-Hui, M. Yovanovitch.

17. The Council's list contained the last three names, but instead of M. Alvarez had M. Descamps (Belgium). Another ballot was, therefore, necessary, and the Assembly sustained the nomination of M. Alvarez, while the Council held to M. Descamps. A third contest between the Assembly and the Council led to exactly the same result. It was, therefore, decided, under the provisions of the Statute of the Court, to appoint a mixed Committee of Selection, which would consist of three members of the Assembly and an equal number of the Council. This Joint Committee proposed to withdraw both M. Descamps and M. Alvarez, and to substitute M. Beichmann (Norway), and the Assembly and the Council agreed to ratify that proposal.

18. The non-election of Mr. Amir Ali, in spite of our efforts, was very disappointing as he would have been an admirable representative not merely of India but of Muhammadan jurisprudence.

Work of Committee No. I.—Constitutional and Legal Questions.

19. Committee No. I held its first meeting on the 7th September, when it appointed six sub-Committees to deal with the matters before it.

It also selected three members—M. Noblemaire (France), Mr. Bruce (Australia), and M. Osusky (Czecho-Slovakia)—to meet a similar number of members of Committee IV, and discuss in common the amendments to the Covenant which might be necessitated by new arrangements in regard to the Budget and the allocation of expenses of the League. (For the report of this Committee see paragraph 101.)

AMENDMENTS TO THE COVENANT.

*Article 1 (Membership of the League).**

20. The Committee rejected the amendment to Article 1 of the Covenant proposed by Argentina last year (*vide* paragraph 14 of the Indian Delegation's Report on the work of the first Assembly), which aimed at the automatic admission to the League of all States willing to join it. The report to the Assembly on this subject was drawn up by M. Scialoja (Italy), who indicated that the actual wording of the amendment was defective, as the Argentine Government had itself admitted; and that as regards the substance, although the principle involved was excellent, the Committee did not think that the moment for applying it had yet come. The delegates of Uruguay, Colombia, Chile, and Spain concurred in this view, and some of them expressed the hope that Argentina would soon resume her place in the Assembly.

* The Articles are referred to in the order in which the Committee reported on them.

The Committee's proposal that the Assembly should adjourn the discussion of the proposal was unanimously adopted by the Assembly on the 4th October (Appendix II, Resolution No. 25).

21. The Committee adopted the conclusions of one of its Sub-Committees regarding the position of minute States, such as Lichtenstein and Monaco—which desired to join the League, but could not well be admitted owing to their small size—that it would be difficult to lay down any general rule for partial association of such States with the League, but that as each particular case arose examination might be made of the best practical action to effect this.

On the 4th October the Assembly approved the Committee's proposals (Appendix II, Resolution No. 26).

Articles 3, 12, 13 and 15 (Meetings of the Assembly and disputes between Members).

22. Certain amendments proposed by the Scandinavian and other Governments in respect of Articles 3, 12, 13 and 15 were considered unnecessary by the Sub-Committee entrusted to deal with them. Those relating to Article 3 had for their object to make an annual session of the Assembly obligatory, and to have supplementary sessions whenever an adequate number of constituent States desired it, but this proposal was withdrawn. The withdrawal was duly noted by the Assembly on the 6th October (Appendix II, Resolution No. 34).

23. The Scandinavian Governments had suggested amendments of Articles 12 and 15 to make provision for a system of commissions of arbitration and conciliation to deal with disputes which come before the League. Committee I considered this was premature, and that the procedure desired should be subject to further investigation by a special Committee, so that the matter might be further dealt with next year. This recommendation was approved by the Assembly on the 5th October (Appendix II, Resolution No. 27).

24. The Scandinavian Government had desired to leave out the word "generally" in the clause "among those which are generally suitable for submission to arbitration," in the second paragraph of Article 13 of the Covenant. This would emphasise the obligation of Member States to have recourse to arbitration for the settlement of disputes under this Article. Committee I asked the Assembly to reject this amendment, which was, moreover, not now insisted on by the Governments which had fathered it, on the ground that, in connection with the Permanent Court of International Justice, certain States had already accepted the principle of obligatory arbitration, and that this principle should be left to develop gradually. The Committee's view was confirmed by the Assembly on the 6th October (Appendix II, Resolution No. 35).

25. On the other hand, the Committee pointed out that Articles 12, 13 and 15 required some verbal amendments making reference to judicial settlement or judicial decision, and in particular they desired that a definite reference to the Permanent Court of International Justice should be included in Article 13. These amendments were fully approved by the Assembly on the 8th October. The text of the three Articles as amended will be found in Appendix II (Resolutions 38, 39 and 40), the new matter being printed in italics.

Article 21 (International Engagements).

26. The Committee discussed at some length a proposal to amend Article 21 so as to make it read as follows, the second clause being new:—

"Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe doctrine, for securing the maintenance of peace.

"Agreements between Members of the League tending to define or complete the engagements contained in the Covenant for the maintenance of peace or the promotion of international co-operation may not only be approved by the League, but also promoted and negotiated under its auspices, provided

these agreements are not inconsistent with the terms of the Covenant. Special conference of the Members of the League concerned may be summoned for this purpose by the Council or by the Assembly."

This was with the object of emphasising the legitimacy of regional understandings generally and of agreements between certain Members of the League for the maintenance of peace or the promotion of co-operation. China had, however, been restive about regional agreements for obvious reasons, which similarly led Czecho-Slovakia emphatically to approve them. Committee I came to the conclusion that the time had not yet arrived for such revision of the Article, especially as the present text did not exclude the application of the ideas that the proposed amendment involved. The Committee, therefore, proposed that, while Article 21 should be retained as it is, the Assembly's attention should be drawn to the fact that "agreements between Members of the League tending to define or complete the engagements contained in the Covenant for the maintenance of peace or the promotion of international co-operation, may be regarded as of a nature likely to contribute to the progress of the League in the path of practical realisations."

"Such agreements may also be negotiated under the auspices of the League of Nations, for example, in special conferences, with its assistance."

The Committee's view was endorsed by the Assembly on the 6th October (Appendix II, Resolution No. 28). *Action by the Assembly.*

Article 10 (Guarantee against External Aggression).

27. An amendment to the Covenant, proposing to eliminate Article 10, had been put forward by the Canadian Delegation. The Committee considered that, as this amendment had given rise to widely different opinions with reference to the legal bearings of Article 10 and its relationship to other Articles of the Covenant (*e.g.*, Articles 12 and 17), it would be desirable that the matter should be held over until next session. On the 6th October this was agreed to by the Assembly, Mr. Doherty (Canada) pointing out that the reason his delegation had raised the question was that they thought that Article 10 contained a dangerous principle, *viz.*, that possession or the *status quo* should prevail over the needs of justice (Appendix II, Resolution No. 29). *Action by the Assembly.*

Article 18 (Registration of Treaties).

28. Committee I proposed that Article 18 should be expanded as shown below:—

"(1) Every treaty or international engagement entered into hereafter by any Member of the League shall be forthwith registered with the Secretariat, and shall as soon as possible be published by it.

"(2) No such treaty or international engagement shall be binding until so registered. Nevertheless, if treaties or international engagements are registered within three months of the time when they were definitely concluded, the effect of the registration will date back to that time.

"(3) It shall not be obligatory to submit for registration instruments of a purely technical or administrative nature which have no bearing on political international relations, nor instruments which consist merely of technical regulations defining without in any way modifying an instrument already registered, or which are only designed to enable such an instrument to be carried into effect.

"(4) Regulations adopted unanimously by the Assembly shall lay down the way in which these articles shall be applied."

The draft regulations contemplated in the last clause had reference to procedure and the view taken by the Committee was as follows:—

(i) Under Article 18 all treaties which create international legal obligations must, without exception or reservation, be submitted for registration, provided that one of the contracting parties is a Member of the League of Nations.

ask his Government to get placed on the agenda of the next Assembly the question of fixing a quorum for validity of decisions of the Assembly and of Committees (there is no such quorum rule at present), and of some amendment to Article 19 (5) of the Rules of Procedure, which lays down that in matters of voting abstaining representatives are put on the same footing as absentees.

36. Approval was also given by the Assembly to a recommendation put forward by Committee I, that during the present session the principle now proposed to be embodied in Article 26 in respect of the voting of resolutions be applied, *i.e.*, the Assembly was recommended not to pass any resolution for amendment to the Covenant unless it obtained a three-fourths majority and embodied the votes of the delegates representing Members of the Council. The Assembly further approved the proposal of the Committee that when amendments to Articles of the Covenant had been voted by the Assembly it was desirable, in order to expedite the process of ratification by the constituent States, that a protocol in regular form should be appended for signature by delegates who deemed themselves competent to give such signature on behalf of their Governments; this, of course, without prejudice to the necessity for subsequent ratification of such Governments (Appendix II, Resolution No. 23).

Article 4 (Non-permanent Members of the Council).

37. With reference to Article 4 of the Covenant, dealing with the composition of the Council of the League, the Belgian Delegate suggested that the number of non-permanent Members of the Council should be raised from four to six, his obvious desire being to make it more probable that Belgium would be re-elected by the Assembly at this session. It was decided that the question of augmentation of the number of Members of the Council should first be dealt with by the Council itself, and M. Noblemaire (France) considered that it would not be opportune to take any such decision at present while there were still great States who were not Members of the League. Finally, it was decided to inform the Council unofficially of the discussion.

38. The Committee's report to the Assembly recommended that the non-permanent Members of the Council should, in future, be elected according to a system of rotation for a fixed period, and that the Assembly should this year renew for the year 1922 the appointment of the present members. In the absence of any decision with regard to the future number of non-permanent Members of the Council, the Committee considered it inexpedient to lay down precise rulings; it suggested, however, an amendment to Article 4, which was adopted, with the object of enabling the Assembly to fix rules for the election, terms of office and conditions of re-eligibility of the non-permanent Members. The resolution as finally passed by the Assembly will be found in Appendix II. (Resolution 32.)

Article 5 (The Principle of Unanimity).

39. On the 6th October the Assembly adopted without discussion the conclusion of Committee I as regards the first paragraph of Article 5 of the Covenant, to the effect that the question of derogations from the principle of unanimity was a matter not yet ripe for consideration (Appendix II, Resolution No. 36). But, as indicated above (paragraph 32), it has been decided that Article 5 does not cover resolutions having in view the amendment of the Covenant.

PROTECTION OF MINORITIES.

40. Professor Gilbert Murray had brought forward the following motion in the Assembly:—"That, in order effectively to carry out the duties of the League in guaranteeing the protection of minorities, the Council be invited to form a Permanent Commission to consider and report upon complaints addressed to the League on this matter, and, where necessary, to make enquiries on the spot." This was referred to Committee I. Having considered the Report of a Sub-Committee the Committee took note that a resolution adopted by the Council on 25th October 1920 met the desire expressed in Professor Gilbert Murray's motion. Professor Murray, therefore, withdrew his proposal.

AMENDMENT OF THE RULES OF PROCEDURE.

Article 20.

41. Lord Robert Cecil (South Africa) proposed in the Assembly an amendment of Article 20 regarding the taking of the "Appel Nominal." This was referred to Committee I, which recommended the adoption of the proposal, with slight modifications. On the 23rd September the Assembly accepted the recommendation, which leads to more expeditious voting. Rule 20 as amended will be found in Appendix II. (Resolution 7.)

Article 14.

42. Committee I was asked by Committee IV to give an opinion on the advisability of an addition to the second paragraph of Article 14 of the Rules of Procedure, providing that resolutions involving expenditure should not be voted by the Assembly before the Financial Committee had given its opinion on the advisability of the proposed expenditure from a ways and means point of view. Committee I, after examination by a Sub-Committee, recommended an addition to the second paragraph of Article 14 in this sense. The proposal was unanimously adopted by the Assembly on the 6th October (Appendix II, Resolution No. 31). *Action of Assembly.*

Work of Committee No. II. (Technical Organisations: Transit, Health, Economic and Financial: Statistics.)

THE ECONOMIC AND FINANCIAL COMMITTEE.

43. This subject was introduced by interesting expositions from Sir Henry Strakosch and M. Avenol in respect of the work of the Financial Section of the Temporary Economic and Financial Committee.

44. Sir Henry Strakosch admitted that the world situation at present precluded any material alleviating action in regard to such matters as exchange and international credits. The much vaunted Ter Meulen scheme had, he was obliged to admit, hitherto proved a dead letter, no advantage having been taken of it. His explanation was that when the resolution was drawn up, the countries of the world were eager for goods, but had no ready money to pay for them; whereas now, owing to fall in prices, there was a glut. This latter proposition can, probably, only be accepted as partially applicable, and Sir Henry did not mention a very real factor, as against the adoption of the Ter Meulen scheme, that the States whose nationals were to obtain credits thereunder were unwilling to set aside State assets for the redemption of these credits, as the scheme contemplated. Sir Henry Strakosch indicated also that world conditions could not be materially improved till certain nations stopped their present free use of the printing press in supplying themselves with currency, and that it was as yet quite premature to consider a further international valuation of currencies in gold.

45. M. Avenol stated that he and his colleagues, after personal investigation in Vienna, had found that, if Austria received reasonable help, she would be able to help herself towards the recovery of her financial position. He said that the Austrian Parliament, with the full support of all parties, had made large additions to taxation to cover the gap between receipts and expenditure in their budgets, but that their action had been rendered inadequate by delay on the part of the States, who were to forego their liens on Austria, agreeing to suspend these, while the United States, whose assent was necessary, had not yet taken such action. Consequently, there had been a very large further fall in the exchange, which reopened the gap between receipts and expenditure.

46. The Committee then took into consideration the reports of the Economic Section of the Provisional Economic and Financial Committee set up by the Council.

47. M. Ador (Switzerland), acting as *rapporteur* and also as President of the Joint Economic and Financial Committee, proposed to submit to the Assembly the following draft resolution :—

(1) The Assembly is of opinion that the constitution of a definitive Economic and Financial Advisory Committee, as contemplated by the Resolution of the 9th December 1920 on Technical Organisations, is not imperative during the forthcoming year ; but considers that the Provisional Economic and Financial Committee should continue its work until the next Assembly in accordance with the Resolution of the Council of the 19th September 1921.

(2) The Assembly considers it to be of the greatest importance that the Provisional Economic and Financial Committee should carry out the programme of work indicated in the reports mentioned above, including the study of the following questions :—Double taxations, the monetary situation, unfair competition, monopolies, unification of legislation relating to bills of exchange, commercial methods designed to obviate the risks arising from fluctuations of the exchanges. The Assembly also invites the Committee to make a general study of the provision of the Covenant relating to the equitable treatment of commerce.

(3) The Assembly agrees that it is not necessary to convoke at an early date a general Conference for the study of the principal financial and economic questions ; and approves the proposal whereby the Council, if it considers it desirable so to do, may, with the advice of the Provisional Economic and Financial Committee, convoke consultative conferences of restricted scope for the examination of special problems.

(4) The Assembly regrets that the work of the reconstruction of the finances of Austria, in which the Provisional Economic and Financial Committee have been called upon to co-operate, should have been delayed by obstacles lying outside the control, not merely of the Committee, but of the League of Nations itself. The Assembly hopes that these obstacles will shortly be removed.

(5) The Assembly agrees to the proposal that the work of organising the International Credit Scheme should be pursued in the manner set out in the report submitted by the Provisional Economic and Financial Committee to the Council.

(6) The Assembly commends to the serious consideration of the Members of the League the general conclusions of the Report on Certain Aspects of the Raw Materials Problem, especially those calling attention to the effects that may be produced by artificial restrictions and duties on the export of essential raw materials on the economic life of other countries.

(7) The Assembly, recognising the intimate connection between the restoration of transport facilities and the supply and distribution of raw materials, expresses the earnest hope that every effort will be made to expedite the work of the various Commissions charged with such matters as reallocation and interchange of rolling stock in certain parts of Europe.

(8) The Assembly invites the Advisory and Technical Committee on Communications and Transit to consider the desirability of action being taken, under the provision which empowers the Council to call partial or regional Conferences to consider special matters, with a view to promoting the improvement of facilities for inter-communication and transport between those States whose transport systems have specially suffered from disorganisation.

48. It will be seen that the raw materials question was mainly dealt with in clause 6 of the draft resolution, which refers to a report on the raw materials problems printed in Appendix III (Annex I). This report will repay perusal, and special attention is invited to the fact that the Economic Section fully endorse the view which Sir William Meyer expressed last year on behalf of India as to the incontestable right of States to dispose freely of their internal resources and, in exceptional circumstances, to reserve these to themselves ; also to impose export duties, where this was deemed necessary, as a means of

raising revenue. They likewise condemned any scheme of international rationing. Consequently, clause 6 of the resolution was of no danger to India, and indeed strengthens her position. The passage at the end of the clause as to artificial restrictions and export duties does not apply to India's policy, but to one deliberately intended as a means of economic warfare and to special differentiation against particular nations.

The word "especially" which introduced this passage was, however, on an amendment by Sir George Perley (Canada) altered to "including" which is an improvement.

49. There was a long discussion on the various clauses, and it will suffice to note that (a) the representatives of Serbia, Italy, France and Brazil were emphatic about the necessity of remedying the disorganisation of the world's credit and exchanges, but made no practical suggestions as to how this excellent object was to be attained; (b) the Japanese delegate (M. Adatei) pressed for an addition, with reference to the last sentence of clause 2, which invites the Economic and Financial Committee to make a special study of the provisions of the Covenant (Article 23 (e)) relating to "the equitable treatment of commerce." M. Adatei wished to hasten things, and proposed that the Committee should proceed to this at once, and formally draft a convention which might be approved by the next Assembly.

Sir H. Llewellyn Smith and M. Ador deprecated undue haste in regard to this delicate matter, and pointed out that the actual meaning of the term "equitable treatment for the commerce of all Members of the League" in Article 23 (e) of the Covenant was open to various interpretations. Did it, for instance, on the principle of *ejusdem generis*, refer primarily to freedom of communications and transit, or did it go further? M. Adatei accepted a proposal by Sir H. Llewellyn Smith that there should be no mention of a convention, but that the Provisional Economic and Financial Committee should be asked to report as soon as possible.

It may be mentioned in this connection that the words "unfair competition" used in clause 2 of the resolution refer, as will be seen from the Raw Materials Report, to false trade marks, actions of private traders, such as giving incorrect descriptions of goods, etc, and that the word "monopolies" apparently refers to the operations of commercial trusts and does not apply to Government monopolies such as salt, tobacco, or, in India, opium production.

50. After a lengthy discussion on various suggestions, which were more of wording than of substance, it was finally decided to refer these suggestions to the consideration of a Sub-Committee consisting of M. Ador (Switzerland), Sir H. Llewellyn Smith (Great Britain), M. Ferraris (Italy), M. Hanotaux (France), and M. Adatei (Japan). If they were agreed in regard to amendments (of form, not of substance) to the resolution, they might be treated as plenipotentiaries of the Committee, and the resolution, as amended by them, could be submitted to the Assembly without a further full meeting. If, however, there were divergences of opinion, Committee II would meet again. It was understood that any member of the full Committee dissatisfied with conclusions which the drafting Committee had arrived at, would be at liberty to ventilate the question in the Assembly.

51. At the meeting of the Assembly on the 28th September, M. Ador (Switzerland) brought forward the resolutions as finally drafted, and they were passed unanimously. These will be found in their final form in Appendix II, Resolution No. 13. There were some alterations in wording as compared with the original draft, which are indicated in italics.

Action by the
Assembly.

COMMUNICATIONS AND TRANSIT.

52. After an opening speech by M. Hanotaux (France) dealing generally with the proper functions of the technical organisations of the League, M. Adatei (Japan) made an *expose* of the report of the Advisory and Technical Committee on Transport with reference to the decisions come to at the Barcelona

Conference, and a resolution for submission to the Assembly was carried to the following effect:—

“Without prejudice to the terms of paragraph 4 of section I, of a Resolution of 9th December 1920, relating to the Organisation for Communications and Transit, the general conferences on communication and transit shall meet, as of right, at the seat of the League, on the request of one-third of the Members of the League. Such request shall be addressed to the Secretary-General of the League, and the Agenda of the Conference should be attached to the request. It shall be the duty of the Secretary-General to convene the Conference.”

The effect of this was that, whereas under the arrangements come to last year, a new general conference on communications and transit could only be called by an unanimous decision of the Council, there would now be an alternative method of having it summoned at the request of not less than one-third of the total number of constituent States of the League.

It may be noted that, as regards the additional protocol to the Waterways Convention drawn up at Barcelona last spring, which it had been decided that Sir William Meyer might sign on behalf of India, it was not possible for him to do so, as the necessary full powers had not arrived at the time the Assembly broke up.

53. Two other resolutions, put forward by M. Adatci, were also carried. The first of these expressed satisfaction at the fact that a number of States had already carried out the recommendations of the Conference held in Paris in October 1920 as regards simplification of formalities connected with the obtaining of passports and visas, the reduction of passport prices, and the unification of passport regulations. The resolution went on to draw the attention of all States which had not yet progressed in this direction to take similar measures.

The second asked that all possible facilities should be given to the members of the various committees of the League in the matter of passports, particularly as regards visas and the period of their validity.

54. M. Avramovitch (Serb-Croat-Slovene State) drew attention to the fact that the Technical Committee appointed by the Conference at Barcelona, which consisted, besides the four representatives of States permanently belonging to the Council of the League, of 12 other members elected by the Conference, did not include any representative of the Danubian States, although these were most materially interested in questions of international transit, etc. He took note of the remarks of M. van Eysinga (Netherlands), who is President of this Technical Committee, that they were endeavouring to remedy this to some extent by calling in, as technical assessor, a Serb representative. M. Avramovitch was, however, not satisfied with this. He wanted actual representation on the Committee, and put forward a resolution that the Assembly should take steps to add to the Committee one representative at least of the Danubian States. This proposal was criticised by Sir William Meyer and other delegates, *e.g.*, M. Hanotaux (France), M. Adatci (Japan) and M. van Eysinga (Netherlands), on the ground that while they felt full sympathy with the position of the Danubian States, and regretted that the Barcelona Conference did not give them representation on the Technical Advisory Committee, they could not agree to go outside the constitution of that Committee as laid down by the Assembly last year, one of the Assembly's objects having been to keep down the numbers.

Sir W. Meyer pointed out, too, that Article 293 of the Treaty of Trianon provided for a Special Commission on the Danube waterways, and that the Council had taken steps to call it into existence.

M. Avramovitch's resolution was rejected in favour of one proposed by M. Hanotaux (France) to the following effect:—

“The Assembly takes note of the designation by the Advisory Committee for Communications and Transit of a railway expert national of a riparian State of the Danube, and invites the Committee to proceed also, in its next session, to the designation of one or more than one other experts, specially

qualified in the different matters dealt with by this Committee and nationals of other riparian States of the Danube."

55. The resolutions were brought up by M. Adatci at the Assembly on the 22nd September. The first, referred to in paragraph 52 above, which provided for a conference to meet at any time at the request of not less than one-third of the constituent States of the League, was amended at the suggestion of Sir George Perley (Canada) so as to make the requisite number one-half. The other resolutions referred to in paragraph 53 above were passed as they stood, and are printed in Appendix II, Resolution No. 6. Action by
Assembly.

THE HEALTH ORGANISATION.

56. This subject was dealt with by the Assembly last year, when it was proposed to bring the *Office International d'Hygiene Publique*, in Paris under the control of the League. The organisation to be set up was:—(a) A General Committee, which was in effect the body of representatives of the *Office International*; (b) a Standing Committee, which was to be constituted thus:—Five members elected by the General Committee (*i.e.*, by the *Office International*) having regard to their scientific attainments and to geographical representation, the President of the General Committee, a representative of the League of Red Cross Societies, and a representative chosen by the Governing Body of the Labour Organisation; besides four representatives of the States permanently sitting on the Council of the League. That made in all 12 members.

The scheme had broken down because the United States declined to have anything to do with the League, and the *Office International*, to which the United States of America belongs, must, therefore, remain independent. The solution now put forward was that the League should constitute its organisation independently, and that the personnel of this organisation should, to a large extent, be drawn from the *Office International*. The proposal of the Council was that the Provisional Technical Committee should be composed of not more than 12 persons, invited to sit on the strength of their technical qualifications (and not of their nationality), together with a representative of the International Labour Office and one of the League of Red Cross Societies—in all 14 members, as against the original 12.

57. M. Rivas Vicuna (Chile), who was the *rapporteur*, put forward the following draft resolution:—

"The Health Organisation of the League shall provisionally include a Health Committee, the Secretariat of which, appointed by the Secretary-General of the League of Nations and responsible to him, shall be controlled by a Medical Director.

"The Epidemics Committee of the League shall form one section of the Health Committee."

The Portuguese delegate took exception to this, and Sir W. Meyer supported him, pointing out that the Council had materially altered the composition of the Committee as laid down by the Assembly last year. All mention of selections being made with reference, *inter alia*, to geographical considerations—a criterion which India strongly pressed last year and which the Assembly approved—had now disappeared from the Council's proposal for the constitution of the Technical Committee; and the latter now included 14 members, whereas the Assembly, in the interests of economy, had resolved to limit the Committee to 12.

Sir W. Meyer said that he did not consider the action of the Council to be in accord with the Assembly's policy, and that the Assembly ought not to submit to its being thus set aside. He recognised, in answer to representations made by the President of the Paris *Office International* (M. Velghe), who was present and was invited to address the Committee, and others, that the matter was urgent, having regard to the present position in respect of epidemic disease, but that did not justify the Committee in practically advising the Assembly to abrogate its functions. He suggested, therefore, the addition of a

riders to the draft resolution to the effect that, in view of the urgency of the situation in respect of international health, the Assembly accepted the constitution of the Technical Committee proposed by the Council, but that it did so without prejudice to its full right of control over the constitution of Standing Committees. With some modification of wording this proposal was carried as also an amendment by Sir Rennell Rodd in respect of amplification of the original resolution.

The representative of Denmark (Mlle. Forchhammer) pleaded that an International Committee should include at least one woman member, and this, though opposed by the President, found favour with the Committee generally.

Finally, a Sub-Committee was appointed, consisting of M. Rivas Vieuna, Sir Rennell Rodd, M. La Fontaine and Sir W. Meyer, to come to a general agreement in regard to the precise drafting to be put before the Committee at its next meeting.

58. There was also some discussion as to the danger of overlapping as between the Paris International Body and the League's Committee, and Sir W. Meyer asked whether it might not be preferable to work through the former and to give them a subvention. The latter proposal did not, however, find favour, and as regards the former it was agreed that, in view of the urgency of the situation, matters had better stand as proposed till next year.

59. At the Assembly meeting on the 8th October M. Rivas Vieuna (Chile) submitted, with an explanatory report, the resolution as finally drafted by the Sub-Committee and approved by the full Committee. It was carried unanimously, with a reservation by the Portuguese Delegation, under instructions from its Government, as to the future settlement of difficulties which it considered might arise by reason of the separate functions of the International Health Office in Paris and the League Organisation. The resolution in the form adopted by the Assembly is printed in Appendix II. (Resolution No. 37.)

THE ORGANISATION OF INTERNATIONAL STATISTICS.

60. This item had been placed on the Agenda at the request of the Netherlands Government. M. Ferraris (Italy), as *rapporteur*, submitted a lengthy *exposé*, and the Committee voted a resolution, which had been tabled by the representatives of Great Britain, France, Italy and Switzerland. The principal recommendations contained in this resolution were those that commended to the Technical Organisations of the League the conclusions of the Economic and Financial Committee for the purpose of avoiding overlapping, and decided that statistics in the scientific sense will not be undertaken by the League so long as the question of the organisation of international statistics has not been decided, and that this question is entirely deferred until the next session.

Sir W. Meyer had previously been consulted about the resolution, and said that it would quite meet the objections of the Government of India, as set forth in Mr. Innes' letter of 4th August last to the Under Secretary of State, in which that Government took exception to the proposals suggested by both the majority and minority reports of the International Statistical Commission of 1920.

The resolution was adopted by the Assembly without discussion on the 27th September. (Appendix II, Resolution No. 12.)

Work of Committee No. III (Armaments, Economic Weapon).

ARMAMENTS.

61. The Committee first of all discussed matters arising out of the Report of the Temporary Mixed Commission (including Civilian representatives as well as Military, Naval and Air experts) on the Reduction of Armaments.

The report began with a short statement on the present political situation of the world, and the difficulties which had to be encountered. In the present position of the world, it would be idle to hope for simultaneous disarmament.

The report then alluded to the Washington Conference, and to the precarious financial condition of the world, a condition which necessitated a reduction of armaments.

The Commission had divided itself into three Sub-Committees; the first had considered the questions of private manufacture, and the arms traffic; the second had examined the right of investigation and mutual control; the third had undertaken a statistical enquiry.

The report of the third Sub-Committee emphasised the necessity for a statistical enquiry to show the extent of military and naval expenditure in the various countries, and the diminution or increase of armaments. The Sub-Committee had been unable to put forward any definite scheme of statistics; it had merely outlined the guiding principles of such an enquiry, and had prepared a draft of a *questionnaire* which was doubtless far from perfect, but calculated nevertheless to furnish very valuable information.

As regards the private manufacture of arms, the first Sub-Committee had not come to any definite conclusion, but it had nevertheless clearly shown the desirability of conducting an exhaustive enquiry, with a view to the preparation of a code of rules regulating private manufacture, which, when drawn up, could be submitted to the various Governments. This code should be adopted by all nations whether they belong to the League of Nations or not, for, supposing that any country—the United States, for instance—did not conform to it, any attempt at control would be useless.

The report then dealt with the arms traffic question in the light of the Convention of St. Germain, which was signed by the United States

62. In Committee III, M. Schanzer (Italy) moved a resolution approving the statistical enquiry into armaments. This was amended, and re-drafted by Lord Robert Cecil at the request of the Committee, which then proceeded to deal with the question of the private manufacture of arms. With reference to the proposal of the Temporary Mixed Commission that an International Conference should be held on this subject, Lord Robert Cecil, supported by the delegates of the Netherlands, Norway and Siam, suggested that the Conference should be held in June next. This was, however, rejected by 10 votes to 7, and the proposal of the Temporary Commission, amended by M. Schanzer, was carried in the following form:—

“The Assembly requests the Council to invite all the Members of the League, and interested States which are not Members of the League, to take part in an International Conference on the private manufacture of arms and on the traffic in arms, which should meet as early as possible, at a date to be fixed under the responsibility of the Council. It is considered highly desirable that this date should be prior to the next session of the Assembly. The Temporary Mixed Commission should be entrusted with the task of preparing the programme of the Conference and of submitting to it a draft convention.”

The Committee then adopted three draft resolutions proposed by Mr. Fisher, urging upon the Governments early signature and ratification of the Arms Traffic Convention, and inviting the Council to prepare a draft protocol making provision for excluding the import of arms and ammunition in time of peace from countries in which the traffic is uncontrolled.

Lord Robert Cecil proposed a motion in regard to the destruction of surplus stocks of munitions. Mr. Fisher pointed out that the adoption of such a proposal would depend on the ratification of the Convention of St. Germain. It was decided that Lord Robert Cecil and Mr. Fisher should jointly draft a motion with reference to this matter.

63. Eight resolutions proposed by Lord Robert Cecil regarding armaments were then considered. The first, expressing a desire that the Temporary Commission should continue its work, was adopted without discussion.

The second requested the Commission to propose a scheme for the limitation of armaments, to be presented to the next Assembly in the form of a draft treaty, which should be published by the end of June 1922. Much discussion took place on this resolution, exception being taken to its terms

chiefly on the grounds that under the Covenant the duty of formulating plans for national limitations was placed upon the Council, and that the task it was proposed to lay upon the Temporary Commission was too heavy. Finally the principle was accepted, but the word "Council" was substituted for "Assembly," and a rider by M. Schanzer was added requesting the Council to reinforce the composition of the Temporary Mixed Commission.

The third resolution proposed to forward once more to all Members of the League the recommendation of the First Assembly that States should not "exceed for the next two financial years following the present year the sum total of expenditure on military, naval and air forces provided for in the budget of that year". This was accepted with the proviso that it should again take the form of a recommendation and not of a resolution.

The fourth resolution, which proposed that all rights of investigation conferred upon the Council by Article 213 of the Treaty of Versailles should be made applicable to Members of the League as soon as a scheme for the reduction of armaments had been accepted, was opposed by M. Reynald (France) and Mr. Fisher. Lord Robert Cecil thereupon withdrew it.

The fifth extended a welcome to the Washington Conference, and was adopted with slight amendments.

The sixth made an appeal to men of science to publish their discoveries in poison gas and similar matters, as this would militate against the use of such discoveries in war. Mr. Fisher pointed out the futility of such a resolution, and as finally amended and passed it referred the advisability of making such an appeal to the consideration of the Temporary Mixed Commission and the Permanent Advisory Commission.

The seventh and eighth resolutions, urging the desirability of propaganda in favour of the reduction of armaments and the necessity of strengthening the Secretariat organisation, were carried with slight amendments.

64. The report of the Committee is printed as Appendix III, Annex 2, and contains in its last portion a striking description of the general position in respect to armaments and the possibilities of future advance in the way of reduction. It was presented to the Assembly by Lord Robert Cecil on the 1st October, and led to a lengthy debate. Lord Robert Cecil initiated this, and gave a full explanation of the genesis and scope of the recommendations submitted.

Mr. Bruce (Australia) laid stress on the anxiety of his country with its 12,000 miles of seaboard, to have the armaments peril dissipated, and Mr. Branting (Sweden) supported the general thesis of the Committee, as also M. Schanzer (Italy). M. Noblemaire (France) made a very fine speech, stating that his Delegation adhered without reserve to the proposals before the Assembly. France remained pacific, and it was not her fault if the League had not been given adequate means to ensure peace. She was willing to go as far as possible to realise a plan for the limitation of armaments, but there must be two necessary conditions—the completion of the disarmament of certain nations in conformity with the treaties and the organisation of a right of investigation. France was industrious and peaceful. Why should there not be a place for a peaceful and free Germany? France desired the reparations due to her under the treaties of peace and under the Covenant. She must have securities for the future, and she had already accomplished what might be called moral disarmament, but this had not been the case as yet with Germany. Her motto was, "*Si vis pacem, para pacem.*"

Mr. Fisher (Great Britain) congratulated M. Noblemaire on his speech, and agreed with a remark by M. Branting (Sweden) that regional understandings would do much towards the establishment of a lasting peace.

The resolutions put forward by the Committee were finally embodied in a resolution proposed by M. Schanzer (Italy) which was passed unanimously. (Appendix II, Resolution No. 19.)

ECONOMIC BLOCKADE.

65. A report had been submitted on this subject by a Special Committee appointed by the Council. This body indicated the difficulties in the application of Article 16 of the Covenant, *e.g.*, that great exporting countries are still outside the League; that the cutting off of food supplies of the civil population of a defaulting State is an extremely drastic measure, which ought only to be applied in the last resort; and that it is difficult for an independent State to accept without question, the opinion of the Council, or of a majority of the Members of the League, as to a violation of the Covenant having taken place. On the other hand, it was necessary for all States alike to apply punitive measures.

66. The proposals of the Special Committee gave rise to a good deal of discussion on various suggested amendments, and it was decided to ask M. Schanzer (Italy), with the assistance of Lord Robert Cecil, to draft a report on the matter.

67. The report finally evolved is printed as Appendix III (Annex 3), and will repay perusal. The main resolution was that which proposed that Article 16 of the Covenant should be re-drafted as follows:—

Article 16.

(1) Should any Member of the League resort to war in disregard of its Covenants under Articles 12, 13 or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between persons residing in their territory and persons residing in the territory of the Covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between persons residing in the territory of the Covenant-breaking State and persons residing in the territory of any other State, whether a Member of the League or not.

(2) Nevertheless, the Council may in the case of particular Members postpone the coming into force of any of these measures for a specified period where it is satisfied that such postponement will facilitate the attainment of the object of the measures referred to in the preceding paragraph, or that it is necessary in order to minimise the loss and inconvenience which will be caused to such Members.

(3) It shall be the duty of the Council to recommend to the several Governments concerned what effective military, naval or air force the Members of the League shall severally contribute to the armed forces to be used to protect the Covenants of the League.

(4) The Members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this Article, in order to minimise the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the Covenant-breaking State, and that they will take the necessary steps to afford passage through their territory to the forces of any of the Members of the League which are co-operating to protect the Covenants of the League.

(5) The Council has to give an opinion as to whether a breach of the Covenant has taken place or not. When the Council gives such an opinion, the votes of the State charged with having committed a breach of the Covenant and of the State bringing the charge, no matter whether these States are Members of the Council by virtue of Article 4, paragraph 1 of the Covenant, or have been specially summoned, shall not be reckoned in determining whether or not there has been a unanimous decision.

(6) Any Member of the League which has violated any Covenant of the League may be declared to be no longer a Member of the League by a vote of the Council, concurred in by the representatives of all the other Members of the League represented thereon.

Clauses (1), (3), (4) and (6) correspond to those of the existing article, save that in clause (1) for the word "nationals" has been substituted "persons residing in the territory of a Covenant-breaking State" or other States.

Clause (2) is new, and provides for delay in carrying out the measures requisite on the part of States which are specially circumstanced, *e.g.*, small States which abut on a large Covenant-breaking Power and might be subject to hostile action on its part.

Clause (5) indicates that when the Council has to take a decision, the votes of States which are charged with having committed a breach of the Covenant and of their accusers shall not be reckoned.

There were also various subsidiary and explanatory resolutions.

The second of these, apart from the amendment to Article 16, which was separately tabled, dealt with questions of procedure, and emphasised the point taken last year that each State must in the last resort decide for itself whether there has been a breach of the Covenant sufficient to justify its taking part in effective measures. If, however, it decides that there has been such a breach, it is bound to take adequate action.

The third, apart again from amendment of Article 16, related, *inter alia*, to the date at which effective measures should be undertaken, and provided that that date shall be fixed by the Council. It interpreted the word "immediately" in the first clause of Article 16 as meaning really "action as soon as possible."

The fourth explained the measures to be adopted prior to and during the actual economic blockade.

68. The report of the Committee occupied the greater part of two sittings of the Assembly on the 26th September.

It was decided that, as regards the substantive amendments to Article 16 of the Covenant proposed by the Committee (to which M. Reynald, of France, took exception in respect of the substitution in the first paragraph of "persons residing in their territory" for "nationals,") specific amendments to the Article should be held over pending their consideration, from a drafting point of view, by Committee No. I.

69. At a subsequent meeting the Assembly had before it the conclusions of Committee No. I, regarding the substantive resolutions amending Article 16 of the Covenant.

A supplementary resolution had been put in to the effect that the main resolutions on the subject of the economic blockade should only be regarded as provisional rules for guidance until the amendment of Article 16 has been definitely carried out as provided by Article 26 of the Covenant.

The Assembly finally passed, with drafting modifications suggested by Committee I, the resolutions involving amendments to the Covenant, with no dissentient votes, though there were some abstentions and absentees. The resolutions of the Assembly on the whole subject of economic blockade, including the subsidiary resolutions, will be found in Appendix II, Resolution No. 22.

Work of Committee No. IV (Finance and Organisation).

ORGANISATION OF THE SECRETARIAT AND OF THE INTERNATIONAL LABOUR OFFICE.

70. At the meeting of the 8th September the early paragraphs of the Report of the Special Committee on Organization, appointed on the recommendation of last year's Assembly, were taken up. Copies of this report were sent by Sir W. Meyer to the India Office and to India, and it need not be reproduced here. M. Noblesse (France), who was Chairman of that Committee, was the French representative on Committee IV, and Colonel Johnson, of the British Treasury, who had been M. Noblesse's principal coadjutor and had drafted the Special Committee's report, also attended.

Committee IV started by dealing with a suggestion by the Noblesse Committee that considerable economy might be effected if the seat of the League

were moved to some less expensive place than Geneva. The Swiss representative (M. Usteri) naturally took exception to this, and maintained that Geneva was not more expensive than sundry other places. Some delegates observed that the seat of the League must be determined by political as well as financial considerations; that if there was any question of moving it, it was for the Council to take action, and the Council were now in possession of the remarks of M. Noblemaire's Committee. Finally it was decided, on a proposal by Sir Rennell Rodd (Great Britain), that as the question of the seat of the League was not governed exclusively by financial considerations, the Committee, while taking note of the opinion expressed by the Committee of Experts regarding the cost of living in Geneva, left the question to be decided elsewhere.

71. The Noblemaire Committee had drawn attention to the large amount of postal and telegraph charges, and pointed out that these were swollen by the high rates prevailing in Switzerland. They suggested that the Swiss Government should be approached in order, if possible, to obtain a reduction in postal and telegraph rates, but Colonel Johnson had to admit that the suggestion they made of a specially reduced rate for League correspondence would throw a heavy burden on to Switzerland, as she would have to pay the same amount she does now to the countries over which such correspondence is carried.

As regards telegrams, it had been suggested that these might be charged for at the reduced rates given to diplomatic messages. The Swiss representative on the Committee (M. Usteri) said that Switzerland would be ready to examine this suggestion sympathetically, and it was decided that the Secretary-General should make the necessary overtures.

72. In respect of paragraph 18 of the Report, which deals with salaries, Sir William Meyer pointed out that, if the Committee were to accept a resolution regarding the composition of the Secretariat, which he proposed to bring forward on a later occasion, it would no longer be necessary to base the rates of salaries of the Secretariat upon those of the British Civil Service, as the number of British civil officials employed in the Secretariat would eventually be so considerably diminished that it would be possible, in their cases, to give a special personal allowance, while the pay of the staff as a whole could be based on the more economical scale which applies on the Continent. This suggestion did not find favour. It was, however, admitted that the rates of salary laid down in Appendix II to the report must be reduced with reference to the recent reduction in the emoluments of the British Civil Service, and a revised scale embodying 75 per cent. of the reduction effected in England was agreed to. It was explained that the variable proportion of salaries was intended to meet the cost of living, *plus* expatriation allowance, and that this would not be affected.

Sir William Meyer asked Colonel Johnson whether his Committee had considered not merely the competence of the higher officers to perform their work, but whether, in some cases, this work could not be as satisfactorily done by lower paid employés. Colonel Johnson replied that he was satisfied that there was no waste of power and money in that respect; this assurance had to be accepted for the present.

73. Some discussion took place on the proposal, in paragraph 24 of the Report, that a Salaries Adjustment Committee to be set up should contain three representatives of the staff of the Secretariat and three of the International Labour Office. A Canadian proposal that business would be expedited by cutting these representatives to two in each case was eventually withdrawn. The down Report proposed that the States of the League should be represented on the Salaries Adjustment Committee by arbitrators not members of the staff, whose decision would be final in any question of disagreement, so that the staff representatives are rather assessors than complete members. Moreover, any recommendation made by the Committee would be submitted to the Council, or, in the case of the International Labour Office, to the Governing Body, for their approval. M. van Eysinga (Netherlands) asked who would decide in the case of disagreement between the arbitrators, to which M. Noblemaire (France) replied that the decision would rest with the Council or the Governing Body of the Labour Office, as the case might be. Sir W. Meyer suggested that

three arbitrators should be appointed instead of two, to facilitate settlement of differences, but this was not accepted. He also criticised the proposal to make a reference to the Governing Body of the Labour Office final, and pointed out that it had been definitely settled last year that that body was subordinate to the Council and to the Assembly. Sir James Allen supported him on this point, and suggested that, in regard to the Labour Office, the report of the arbitrators should be submitted *through* the Governing Body to the Council, otherwise, apart from the general question of prerogative, there might be divergent decisions *qua* the Secretariat and the Labour Office. After some discussion, M. Adatci (Japan) proposed the following resolution:—

“The Committee, being desirous of confining itself to practical questions, has decided not to enter on a discussion of the relations between the International Labour Office and the Council of the League of Nations.”

After a harangue by M. Albert Thomas (Director of the Labour Office) on the functions and prerogatives of the Labour Organisation, M. Adatci's proposal was carried, with the following rider, by the delegate of Brazil:—

“This conclusion must conform to the general provisions of the Budget adopted by the Assembly.”

74. Paragraph 30 of the Report dealing with expatriation allowance was then considered, and approved. Sir William Meyer pointed out that this allowance appeared to be 50 per cent. on salary, in many cases, after allowing for the increased cost of living in Geneva, and compared this with the far smaller Indian overseas allowance. He also asked how the total calculation was made up: whether, for instance, a British salary of 200*l.* a year became 200*l.* *plus* 20 per cent. (40*l.*) for the cost of living, *plus* 50 per cent. of 240*l.*=360*l.* The reply was that 200*l.* becomes 300*l.* *plus* 20 per cent. of 200*l.*=340*l.* With reference to the proposal in paragraph 31 of the Report that Governments should be asked to exempt their nationals employed in the Secretariat from income tax, Sir William Meyer pointed out that if this were done the salaries annually paid would be in fact considerably more than the salaries paid in the British Civil Service, as a British civil servant was heavily mulcted in income tax. The question of agreeing to the proposals in the Report was then put to the vote, and carried.

75. On the subject of paragraph 35, regarding the desirability of fixed scales of subsistence allowances for experts and others who compose the advisory and technical bodies, Sir Herbert Ames (the Financial Director of the Secretariat) stated that, in fact, the subsistence allowances paid to those visiting Geneva to assist in the work of the League varied from 70 to 125 gold francs. He said that the Secretariat was of opinion that a fixed rate of 70 gold francs (corresponding roughly to 80 Swiss francs) was desirable, but it was a matter which could only be settled by the Assembly, as these varying rates had been approved by the Council when they had set up the different Commissions. It was eventually decided to adopt a resolution to the effect that a fixed rate of 70 gold francs should be definitely laid down, except in cases where any especially eminent persons were invited to preside over Conferences, in which case the Council would be empowered to make special arrangements.

76. On the 19th September the Committee proceeded with the consideration of paragraphs 36—39 of the Expert Committee's Report, in which it was recommended that the sumptuary allowances of certain high officials of the Secretariat, *viz.*, the Secretary-General, the Deputy Secretary-General, and the Under Secretaries, should be reduced, and that the Secretary-General should, for the present, receive a special allowance of 1,000*l.* a year in lieu of the free house to which he is entitled under the terms of his engagement.

As regards the sumptuary allowances, the high officials in question can retain the whole of their existing allowances for the present under their contracts, and it is much to their credit to have consented to give up a portion.

As against such surrender, it was proposed that there should be a general Entertainment Fund or “pool,” to be administered by an officer of the Secretariat specially appointed for this purpose, and to provide funds for entertainments outside the scope of the reduced sumptuary allowances. Having

ascertained that the officer to administer the "pool" would be drawn from the existing staff and not represent a fresh appointment, Sir William Meyer carried an amendment laying down that the total amount to be credited to the "pool," should not exceed the total of the sums surrendered by individual officers, otherwise the "pool" might lead to increased expenditure.

Sir Rennell Rodd (Great Britain) proposed that the officer administering the "pool" should also be entrusted by Members of the League with the task of making arrangements regarding accommodation of their representatives and officials visiting Geneva, and pointed out that this ought to lead to material economy, since at present individual representatives or delegations were at the mercy of Swiss hotel-keepers. This, also, was carried.

77. Discussion then took place on a resolution tabled by Sir William Meyer, in regard to the enormous preponderance in the Secretariat and the Labour Office of representatives of Great Britain, France, and Switzerland, and the inadequate, or absolute lack of, representation of the various other countries, India, for example, having only one clerk in the Secretariat and no representation at all in the Labour Office. The text of this resolution, which was based on tables compiled from information furnished by the Secretariat itself, is printed in Appendix IV (Annex 2).

It was not expected that the resolution would be carried as put forward, since it prescribed maximum percentages for each country, but it was very desirable to ventilate the question as a means of putting pressure on the Secretariat and the Labour Office. The resolution called forth speeches from Sir Eric Drummond and M. Albert Thomas, the head of the Labour Office, who had attended, in which they held that it was impossible to have a rigid application of the principle of national representation, that it was inevitable that, as English and French were the official languages, those two countries should have a specially large representation, and that the Swiss representation was in the interests of economy, being largely applied to minor posts, which it would cost more to fill up from abroad.

After some discussion Sir George Perley proposed the following as a substitute for Sir William Meyer's resolution:—

"That it is extremely desirable, especially in the higher administrative positions, that the Secretariat of the League and of the International Labour Office should, as far as possible, be recruited in fair proportions from the various States Members of the League, and that this principle should be carefully borne in mind in filling future vacancies, always having regard to the requirements of efficiency."

This resolution was accepted by Sir William Meyer, and carried unanimously.

It may be mentioned that M. Thomas has already acted on it by asking Sir Louis Kershaw to advise in the selection of an Indian for a fairly important post in the Labour Office.

78. With reference to the proposal in paragraph 46 (a) of the Report, that the higher officials—those of the rank of Directors and upwards—should not hold office for more than seven years, some discussion arose as to whether extension of service might not be granted to such officers, if they were specially valuable.

It was decided that when an officer's time had elapsed his engagement should be taken as definitely terminated, but that, for special reasons, he might obtain a fresh engagement.

79. With reference to paragraphs 48—52 of the Report, it was agreed that the normal period of service should be 28 years for the subordinate staff and 21 years for the intermediate staff, *i.e.*, those below the high officials already mentioned. It was decided, however, that an officer of this intermediate class, or upper division as it may be called, might normally continue up to 55 years of age, if that would be necessary to complete his 21 years' service.

80. Discussion then took place on the deferred pay scheme set forth in Appendix IV to the Report, the gist of which is that employé's should contribute

a proportion of their salaries, say 10 per cent., to what may be called a Provident Fund; that this fund should be swelled by equal contributions from the purse of the League; and that on retirement an officer would normally get the amount of his contributions *plus* the League's addenda with compound interest on the same.

It was generally accepted that such a scheme was desirable, but various points were raised as to its specific application, *e.g.*, as to whether a uniform 10 per cent. contribution was a fair one, and whether it would not be preferable to have higher contributions from the higher officials and lower from others. Finally, it was decided to accept the principle of the scheme, but to refer the working out of specific proposals to the Salaries Adjustment Committee referred to in paragraph 73, with instructions to report in time for the matter to be finally decided next year.

M. Reveillaud (France) and Mr. Bruce (Australia) pointed out the desirability of having the funds for this deferred pay scheme separately banked, and the Australian delegate made the further suggestion that it would probably be more economical to make terms for eventual payments to the staff with some big insurance office, especially in the case contemplated by the Noblemaire Committee of the amount standing to an officer's credit, if large, being converted into an annuity. These points will also be considered by the Salaries Adjustment Committee.

81. With reference to paragraph 42 of the report, exception was taken to the underlying idea that recruitment for the League staff should ordinarily be by competitive examination, special selection by the Secretary-General to obtain adequate representation of Member States in the League offices being put in quite a subsidiary place.

Sir William Meyer and other delegates pointed out that this was not in accord with the resolution recently adopted (*vide* paragraph 77 *supra*), since a competitive examination, in regard to which centres would necessarily be in Europe, would handicap distant countries very much.

Sir Eric Drummond explained that all he contemplated was the maintenance of the existing system of competition in regard to posts which it would be advantageous to fill up locally, *e.g.*, translators and stenographers. He would be constantly guided hereafter by the resolution above referred to. Finally, it was agreed to accept a proposal by M. Noblemaire that, instead of "competitive recruitment or selection" at the close of the first sub-paragraph of paragraph 42, the Committee should adopt "a system of recruitment based on the principles contained in paragraphs 42—54."

82. As regards paragraphs 57—60, the Committee accepted the idea (put forward in its essence by the Indian Delegation last year, but then rejected) of a Special Committee of Financial Control, which would afford outside criticism analogous to that which in nearly all countries vests in the Ministry of Finance, and sometimes also in a Parliamentary body. It was decided that the members of this Special Committee should be five in number (a subsequent decision reduced this to three), and adequately representative of States of the League other than those permanently represented on the Council.

The Committee, however, rejected the proposal in paragraph 60 of the Noblemaire Report that to this Committee should be attached a special financial expert, to act as its *rapporteur*, who would also be responsible for the audit control. It was held that there was no occasion to add a highly paid officer, who would hold office for five years, to the establishment of the League, since the members of the Committee of Control would certainly include men of adequate financial experience, and that the audit arrangements could be carried out otherwise. The existing "appropriation officer" was to be continued and to obey any instructions which might be issued to him by the Committee of Control.

83. Considerable discussion arose as to the character of the audit, and whether it would not suffice to have, as at present, an appropriation officer. It was argued with force that, although the proposal to have a special financial

expert had been rejected, it was still necessary to have an outside auditor. This proposal was rejected by 12 votes to 11, the British Empire Delegations voting in the minority.

As regards paragraph 65, the proposal for altering the financial year to a period commencing with 1st October was rejected, there being only two votes in its favour.

84. There was considerable discussion over the "working capital fund." This title is really a misnomer. The fund is not meant to provide for capital expenditure; it is just a provision to meet the contingency that, owing to subscriptions coming in slowly and certain States not paying their dues, the League should have a reserve fund from which to provide for outlay pending the getting in of revenue. It would be better described as a working balance. The old title was, however, retained, and discussion centred round the point whether the International Labour Office should have a separate working capital account. M. Thomas emphasised the necessity for meeting authorised expenditure of the Labour Office and its independence of the Secretariat, but stated that, on behalf of the Governing Body of the Office, he would be quite satisfied with a general working capital fund, provided it was understood that the Labour Office should be entitled to its due share, and this was carried.

85. As regards the question of the number of Directors of Sections in the Secretariat, the position is that the present sanctioned number is nine, and the Committee proposed to reduce this to six, but with a special officer for the Legal branch, who would practically be a Director, so that the real number is seven. The Financial Director, it may be observed, would, under this scheme, eventually be replaced by a *Chef de Service*, working directly under the Under Secretary. The number of Under Secretaries was to be reduced from two to one, and a vacancy having occurred by the selection of one of these—M. Anzilotti (Italy)—as a Judge of the Hague International Tribunal, it was possible to carry this into immediate effect.

In the course of the discussion, Sir Eric Drummond, supported by Colonel Johnson, said that while he was willing to consider eventually the proposal that there should be one general Director for work in connection with (a) Administrative Commissions, etc., and (b) Mandates, he did not think that this suggestion could be confidently accepted at present. It was decided that it would be open to the Secretary-General, if he considered that he had full justification for two separate Directors, to place the matter before the Council and the Assembly. In any case, a reduction in the number of Directors will only take place as vacancies occur in the existing staff, and Sir Eric laid stress on the impossibility, at present, of shedding the Financial Director.

The proposals of the Noblemaire Committee in respect of the Directors were, therefore, to some extent illusory, and Sir William Meyer pointed out, with reference to paragraph 82 of their report, that a reduction in the number of Directors might be more than compensated for by a considerable increase in the number of *Chefs de Service*. Sir Eric Drummond replied, however, that he had no present intention of increasing the staff of *Chefs*.

At a later stage, too, it was decided, in view of the representation of the Secretary-General, that the Under Secretaryship hitherto held by M. Anzilotti should not be immediately reduced, but should be continued for three years on a different footing. The Director of the Armaments Section, whose work, it was represented, had much increased, was to become an Under Secretary but without any sumptuary allowance, and his Directorship was to be left vacant.

86. In respect of paragraph 93, which proposed to set up a bureau in Latin America, there was considerable opposition, it being pointed out that it was not a proposal for economy but for additional expenditure, and would be bound to form a precedent. Sir George Perley (Canada) suggested postponement of the question for another year, and was supported by the British Empire Delegates with the exception of Sir Rennell Rodd. The suggestion was, however, rejected by a small majority, and paragraph 93 was thereupon passed.

In the course of the discussion it transpired that the Council had already sent out two members of the Secretariat to investigate, and that their report would be awaited, but in the meanwhile provision was made in the budget.

87. With reference to paragraph 128 of the Report, there was considerable discussion on the proposal that the four members of the Governing Body of the International Labour Office who were to confer with the Committee of Control regarding the budgets and accounts of that office, should also be able to appear in the Assembly. It was finally decided that only one representative of the Office, who might, at discretion, be one of the Governing Body or the Director, should be entitled to speak in the Assembly when the budget was discussed there, and then only, as in the case of the Secretary-General, if specially invited to do so by the President.

88. Paragraph 131 commented on the proposal of the Labour Office to purchase their present building in Geneva. The Labour Office had submitted a memorandum justifying this proposal on the ground that it would be really economical and that, although the building presents certain defects as regards distance from the centre of the city, etc., it was better to endure these than to embark on large expenditure.

M. Thomas was very emphatic on this point, while some of the members of the Committee considered it premature to start permanent acquisition, having regard to the possibility (a) of moving the seat of the League, and (b) of acquiring some more suitable building. Finally, having regard to the fact that the matter was urgent, seeing that the present lease terminated in 1923, it was decided to appoint a special Sub-Committee of three members to consider this question further.

This Sub-Committee subsequently reported that the Labour Office ought not to acquire any permanent building until it had been decided definitely whether the seat of the League should remain at Geneva or be moved elsewhere, and it was hoped that a definite decision on this subject might be taken next year. When such a decision was arrived at, the Labour Office should have permanent quarters at the seat of the League wherever it might be, but in the meantime they should continue occupation of their present building as tenants, incurring some small necessary expenditure on improving the accommodation. The Sub-Committee's view was endorsed by the full Committee.

89. With reference to Appendix II of the Noblemaire Report dealing with rates of salaries, the question was again raised of having an intermediate scale of pay between the members of sections and senior clerical assistants, etc. This had been ruled out in the discussion in connection with the Secretariat on the ground that to give higher pay than had been proposed to senior clerical assistants would encourage the advancement of mediocre persons. The line now taken, however, was that it was desirable to provide for the case in which a member of section might be doing work which could be as well done by a senior clerical assistant, so that the proposal was one for economy. With regard to this point of view, the proposal for an intermediate grade in the Labour Office was referred to the Salaries Adjustment Committee; as also the possibility of having for the Office a lower pay for copying-typists.

90. On the 1st October the Assembly dealt with the report submitted by M. Noblemaire (France) on behalf of the Committee.

M. Noblemaire supplemented the report itself by a very lucid speech.

M. Noblemaire had not proposed any resolution, so Sir W. Meyer moved that occasion should be taken to pay a tribute to the labours of M. Noblemaire and his expert Committee, indicating that, though he had in Committee IV criticised some of their conclusions as not going far enough, he recognised that on the whole they marked a very considerable advance. This resolution was carried unanimously.

The report submitted by M. Noblemaire is printed in Appendix III (Annex 4) and Sir William Meyer's resolution in Appendix II (Resolution No. 18). Sir W. Meyer's speech in the Assembly will be found in Appendix IV (Annex 2).

ALLOCATION OF THE EXPENSES OF THE LEAGUE.

91. It was decided that, after the general question arising out of revision of allocation of the League's expenses among the constituent States proposed by the Special Technical Committee had been discussed, Sir Rennell Rodd should act as *rapporteur*. He was also to be associated with three other members, M. Adatci (Japan), M. Fernandes (Brazil) and M. Trygger (Sweden), who were to meet the special Sub-Committee suggested in Committee I (paragraph 19 *supra*) for discussion of the amendments to the Covenant which might be necessitated by future procedure in regard to allocations and budget. It may be noted that M.M. Noblesse and Bruce, who represented No. I Committee, were also members of Committee IV.

92. The question of allocation was dealt with in paragraphs 106-7 and 112 of last year's Report of the Indian Delegation. Briefly, the position then arrived at was that there was general dissatisfaction with Article 6 of the Covenant, which bases the allocation on the entirely different circumstances of the Postal Union Scheme, and it was sought to obtain a scheme of allocation, which would suit both the Union and the League, and would therefore not necessitate a modification of Article 6, by the appointment of a small special Committee.

That Committee consisted of the following members:—M. Réveillaud (France), Chairman; Sir Henry Strakosch (South Africa); M. Barboza Carneiro (Brazil); M. Alfred George (Switzerland); M. Gluckstadt (Denmark). M. Sthyr, and subsequently M. de Kaufmann, acted as substitute for M. Gluckstadt.

They came to the conclusion that it was impossible to make out a scheme, which would be equitable both as regards the Postal Union and the League, and that the latter, therefore, must proceed independently. They had to work rapidly, and almost split on two divergent schemes, but finally agreed on the adoption of one, which will be referred to in this Report as the definite scheme, while at the same time putting forward the other as a possible temporary solution.

93. As regards India, while the temporary scheme puts us very much as we were under the present one, the definite scheme raises our percentage of subscription from 4.9 to 6.6.

India is placed in Class II under this last scheme, whereas in the existing scheme she is in Class I, but the prejudicial result to her is attained by the fact that the number of units chargeable for Class II is no less than 65 (in Class I, 90), the total number of units being 982, whereas under the existing scheme Class I States pay 25 units out of a total of 510. Under the temporary scheme the same division into classes was adopted as in the definite scheme, but the units taken were those of the various classes under the existing scheme.

At a conference at the India Office before the delegation left for Geneva, it was decided that India should oppose the definite scheme as being an unfair one, unless it underwent material amendment, and that the temporary scheme would be preferable.

Sir William Meyer brought the matter before two meetings of the British Delegations, expounding India's objections to the definite scheme, but got little sympathy from the Dominions Delegates, since they pay less—some of them materially less—under that scheme than under the temporary one.

94. In anticipation of the subject coming before the Committee, Sir William Meyer tabled two resolutions, accompanied by a memorandum setting forth the principal points in which the definite scheme was regarded as defective, which are printed in Appendix IV (Annex 3), and supported them at an early stage of the general discussion by a speech strongly attacking that scheme.

It may be noted here that the Allocation Committee used the term "net revenue" in a very peculiar sense—it does not mean that the expenses in connection with the collection of various heads of revenue are deducted from

the gross receipts, but that the gross figure is taken except in the case of commercial or quasi-commercial enterprises, such as posts and railways, in which case the net profit only is assessed.

The matter on which Sir William Meyer laid most stress was that the Committee's scheme, through no fault of its own as it had to work very hurriedly and on inadequate data, was an absolutely unscientific one. It professed to base itself on "capacity to pay," but as interpreted by revenue figures of a single year, 1913, which were now of very ancient date. It had not taken into account various essential factors; and in particular, though rendering lip-service to the all-important consideration that the assessment of a State must be based not merely on its relative revenue resources, but with regard to the general benefits it derived from the League, these considerations had been very little attended to in practice, with the result that a number of small States were let off with most inadequate subscriptions, amounting in some cases to only about $\frac{1}{2}$ d. in the pound. What India wanted was a really scientific scheme, and that could not be attained at present. The Reveillaud Committee had admitted that their so-called definite scheme ought only to have effect till 1924, but India preferred the temporary scheme, not merely because it taxed her less, but because, like the Postal Union assessment, it professed quite frankly to be an arbitrary allocation, whereas the definite scheme, which was arbitrary also, masqueraded under a pseudo-scientific character.

M. Reveillaud in his reply had to admit the justice of some, at any rate, of the criticisms. He urged, however, that the definite scheme was only provisional, and might be adopted as such, but if the Committee pleased they could work on the temporary scheme, though his Committee did not think it so good. This was very loyal of M. Reveillaud, since it is an open secret that he was strongly in favour of the temporary scheme, and only gave way at the end to obtain unanimity.

95. There was a long and dreary discussion, and practically every delegate who spoke supported or opposed the definite scheme according as his country would or would not be more lightly assessed under it than under the temporary scheme, or, it might be, the present method.

Sir Rennell Rodd supported the temporary scheme as a better means of obtaining general agreement, but he tried to justify the exclusion of colonies in making up the quotas of Great Britain and other colonial Powers on the ground that they were generally a source of expense. Sir William Meyer pointed out that this was not so, at any rate in regard to colonies such as the Straits Settlements and Ceylon, and that the criteria the Committee had adopted were revenue and population and not expenditure. On Sir Rennell Rodd's principle India might claim material reduction of her assessment on the ground that many tracts were not self-supporting in the matter of taxation.

96. It was agreed, on a proposal by the Spanish Delegate, that, when an ultimate result had been arrived at, the publication of the quotas should not be in group arrangements or with reference to percentages, but in alphabetical order with the amount of subscription of each State against it.

97. The Italian Delegate emphasised that the real deciding factor in the case would be the assent or dissent of the Parliaments of the various countries in respect of the sums they would have to be asked to vote, and that the existing scheme had at any rate the merit of having received general recognition. A departure from this scheme would provoke considerable opposition in various Parliaments, especially in the Parliaments of countries whose contributions would be increased. Speaking later, Sir William Meyer fully agreed with this line of argument.

98. In a further speech Sir William Meyer pointed out the difference between the idealism preached in the Assembly by the South African Delegates and the hard materialism of the present discussion, in which South Africa, like other States, had supported the scheme which would let it off the most lightly. Mr. Bruce (Australia) had endeavoured to support the opinions expressed in favour of the definite scheme by the proposition of the greatest happiness of the greatest number; that the definite scheme would increase the assessments

only of six countries, India included, whereas it would reduce the assessments of a great many more. If there was some injustice to India, surely it was better (he had observed) that this should be suffered than that so many other States of less wealth should have to complain.

Australia, now posing as a poor country, had, Sir William Meyer rejoined, spent nearly 1,000,000% on a palatial office in London for her High Commissioner, an expenditure which India, with her much larger revenue and also larger necessary expenditure, could not possibly afford. Australia had also indulged in the luxury of an expensive line of Commonwealth steamers, which some of the best experts predicted would be run at a heavy loss. It was idle, therefore, to say that Australia was a poor country and India a rich one.

99. The only resolution discussed at this sitting was jointly submitted by the delegates of Poland, Rumania, the Serbo-Croat-Slovene State and Czechoslovakia, proposing that the allocations should be modified with reference to conditions of exchange. On a division the proposal was rejected by 13 votes to 9.

100. A further resolution tabled by Sir William Meyer (Appendix IV, Annex 3) proposed that the Reveillaud Committee should resume its labours as soon as possible and endeavour to frame a more complete and convincing scheme, after consideration of essential factors, such as the financial position of Federal Governments as compared with unitary States, the colonies of certain Powers, the special benefits that particular States may derive from the League, and so on; and that they should also endeavour to work on more recent statistics. It went on to propose that, as the Reveillaud Committee would, it was hoped, be able to work out a more satisfactory scheme before long, the Postal Union allocation should meanwhile continue to hold the field, as it is sanctified by the Covenant as it stands, and has in that capacity received the adhesion of all the Member States.

Many other delegates also tabled resolutions bearing on future allocation.

101. Meanwhile a report (embodied in a letter from M. Adatci, who had presided over it) had been received from the expert mixed Committee drawn from Committees I and IV; on the subject of the constitutional aspects of the matter. This letter is embodied in the final report of Committee IV on allocations, which figures in Appendix III (Annex 5). Briefly, it proposed that the Reveillaud Committee should continue its labours so as to evolve a more satisfactory eventual scheme; that Article 6 of the Covenant should be amended so as to enable the adjustment of the expenses of the League among the Member States to be made by decision of the Assembly; and that there should be a provisional Article embodying a scheme which might be applied at once with effect from 1922.

102. The suggestion that the Reveillaud Committee should resume its labours was unanimously adopted, and discussion then centred on the advisability of adopting a provisional scheme at once to supersede that of the Postal Union. It may be observed here that M. Adatci, as an individual member of Committee IV, now proposed that the decision of the Assembly in respect of any new scale should be taken on the proposal of the Council, but this was opposed by M. Trygger (Sweden) and Sir W. Meyer, on the ground that it would weaken the now recognised position that within the League the Assembly was supreme in matters of finance; and M. Adatci finally withdrew his amendment.

It was, however, agreed—on a suggestion by the Venezuelan Delegate—that the Assembly Rules of Procedure might fittingly be altered so as to ensure that no revision of allocation shall be considered unless its inclusion in the Assembly's agenda has been communicated to the constituent States of the League at least four months before the session.

103. As regards the adoption of a provisional scheme, Sir W. Meyer moved, in accordance with the suggestion contained in his draft resolution above-mentioned paragraph 100), that the provisional scheme be dropped, and that the Assembly should hold to the existing allocation until it could be replaced by a really satisfactory one, one which could be acknowledged as just even by States

which might have to pay more therein. He pointed out that to get the ratification of the Governments necessary for altering the Covenant so as to dispense with the Postal Union scale must necessarily take a long time, so that matters would probably not be ready in practice for the introduction of a fresh scheme until the Assembly met next year, by which time it might be hoped to have an amended scale. Moreover, as the allocations for 1922 have to be notified at the beginning of the year, there was all the more reason not to put to States a scheme which could not be at once carried out as regards payments of subscriptions. The Parliaments of States which disliked the provisional scheme would be on very strong ground if they declined to vote provision until the Covenant had been so amended finally as to make it a *fait accompli* and not a possibility only. A long debate followed, in which representatives of the various States generally took, as in the previous week, the best line suited to the pecuniary interests of their countries, those who would be favoured by the Reveillaud Committee's existing proposals being for a provisional scheme which would embody this. Finally, on a division, the idea of a provisional scheme was carried by 21 votes to 11. Sir W. Meyer had not expected to get so many votes, and among these were those of the representatives of Great Britain, Italy, Spain, China, and Japan, and also (to take minor States as well) of Serbia, Cuba, Uruguay and Colombia. Sir W. Meyer thereupon asked that it should be recorded that he reserved full liberty to challenge this decision in the Assembly, a course followed by several of the other States comprising the minority.

104. The Committee then went on to consider what the provisional scheme should be, and after some discussion it was agreed by a majority that the basis of it should be what is called the Reveillaud Committee's definite scheme.

105. Having reached this result, and having regard to the fact that there was now very little time to put matters before the Assembly, it was agreed that it was no use at present discussing specific amendments to the scheme which had found favour. These could be considered in connection with the subsequent reconsideration of the scheme to be taken up by the renewed Reveillaud Committee, and consequently all the various resolutions bearing on this matter should be sent to that Committee. The only exception was as regards a proposal made by the Polish Delegate that his State should at once go down one class—from the third to the fourth. He supported this by the plea that the Reveillaud Committee had to take the revenue figures of 1913 (when Poland was still distributed among the empires of Russia, Germany and Austria), and could only arrive at the revenue of the new State by the arbitrary method of taking the revenue of the old empires and giving to Poland a sum under each proportion of the population transferred from Russia, etc., to the Poland of to-day. Also, that since its re-existence Poland had never had the benefit of settled conditions. This proposal was adopted by Committee No. IV.

106. As regards the date from which the provisional scheme should have application, the delegates of Australia, South Africa and Canada (which countries will benefit materially by the provisional scale as against the Postal Union allocation) pleaded emphatically for retrospective application to 1921, taking as the basis of their plea a proposal to this effect contained in recommendations made by Committee IV to the Assembly and accepted by it in connection with last year's budget (*see* on this point recommendation II, Article 13 (e) as printed on pages 86-7 of the Appendices of last year's Report of the Indian Delegation). They urged that, whatever this might be legally, it was in honour a binding agreement, on the strength of which their Parliaments had voted the contributions for 1922, Sir Edgar Walton (South Africa) declaring that General Smuts could not have carried the existing subscription for 1921 through his Parliament had he not been able to assure them that it was going to be revised for the benefit of South Africa. The opponents of this—including M. Reveillaud, Sir Rennell Rodd and Sir W. Meyer—replied that the recommendation invoked had not the binding force of a resolution and could be modified if circumstances required it. The fact was that last year it was thought that it would be possible to get matters

settled quickly by obtaining an amendment of the Postal Union classification in which case it would have been quite reasonable to make such amendment apply to 1921. It had now been found necessary to cut loose from the Postal Union altogether; the consequent amendment of the Covenant would take a long time, and to have the application of the scheme thrown back to 1921 would raise a legitimate grievance on the part of States which would suffer thereby, and render them very unwilling to agree to any proposed change in the League constitution *quâ* assessment. In this connection, Sir Herbert Ames (the Financial Director), made a good speech, pointing out that if the proposal was accepted it would be very prejudicial to the League's finances. He would have early next year to circulate to each State a statement of what it would pay under the Postal Union allocation still in force, and what it was proposed that it should pay under the provisional scheme, subject to retrospective application for 1921. The result would be that some States would have their 1922 contributions very largely increased, while others like Australia, Switzerland and the Netherlands would have to pay nothing, or might even be in a position to claim refunds. Obviously, a State which was heavily burdened by this method would not pay till it had definitely determined whether to accept the necessary amendment to the Covenant or not, and one which profited greatly would have little or nothing to send in. The League might, therefore, go bankrupt. M. Reveillaud strongly advised the Dominions delegates and others not to risk losing the new scheme altogether by insisting on this retrospective application. M. van Eysinga took the same view, and on a division it was decided by 16 votes to 10 that the retrospective application of the scheme till 1921 should be rejected, the Dominions delegates thus defeated reserving their liberty to raise the question again in the Assembly.

It was agreed that, in regard to the provisional scheme, it should be indicated that it would remain in force "till altered by the Assembly," to provide for the contingency that we might not be ready with a really definite scheme next year.

107. The matter came before the Assembly on the 6th October, on the report of Sir Rennell Rodd, printed in Appendix III (Annex 5). *Action by the Assembly.*

At a discussion which had taken place between the British Empire Delegations under the chairmanship of Mr. Balfour, a compromise course had found favour.

Sir Rennell Rodd was to propose in the Assembly that the new provisional scheme should only last during 1922 and 1923, and should lapse earlier if a satisfactory fresh scheme has meanwhile been adopted.

Further when the new scheme was adopted, countries which may have paid more than their share (a) in 1921 with reference to the Postal Union scale; or (b) in 1922, and possibly 1923, under the provisional scheme should be entitled to eventual refund, if and when the League's finances permitted.

Accordingly, when Sir Rennell Rodd, acting as *rapporteur*, placed before the Assembly the resolutions entrusted to him by Committee IV, he personally made the suggestions for modification above referred to. But when the matter was discussed in the Assembly, it was found that there was no chance of obtaining the requisite three-fourths majority for the resolutions as Sir Rennell Rodd had wished them finally to stand, and after discussion the Assembly passed the resolutions and recommendations printed in Appendix II (Resolution No. 30). The first resolution, involving amendment to Article 6 of the Covenant, was passed by 40 votes to 1, 10 delegations being absent or abstaining; and the second, adopting the provisional scheme of allocation, by 31 votes to 2, 18 delegations not voting. The rest of the resolutions and recommendations were adopted unanimously, with the exception of the recommendation in favour of the eventual reimbursement of States who may pay more under the provisional scheme which had been adopted than under such definite scheme as may finally come into force. This recommendation was carried by 21 votes to 10.

108. The position of India had been considerably weakened by the previous action of the Assembly (*vide* paragraphs 30—36, *supra*), by which resolutions in respect of Covenant amendments were no longer to come under Article 5 as

regards unanimity, but that a three-fourths majority would suffice if it included the representatives of all States on the Council, and it became very difficult to look to a minority of more than one-fourth as against the provisional scheme, from the fact that the delegates of those Council States, who had been India's allies in Committee, shrank from taking the position of voting against the provisional scheme, and its proposed application, in the Assembly and thus destroying it. They preferred to leave any hostile action that their Governments might consider necessary to those Governments when it came to ratification. Consequently, Sir W. Meyer thought it better not to put India in the position of voting against the resolution in regard to the provisional scheme, although the final solution adopted by the Assembly was considerably less satisfactory than that which the British Delegations would have accepted if the matter had lain between themselves, in that—

- (1) The provisional scheme is not to be subject to a definite time limit, but to remain in force till the Assembly adopts another one, which will obviously give opportunity for obstruction in regard to a new scheme on the part of those whom this will favour less than the provisional scheme.
- (2) The proposals as regards the setting on foot of a new scheme and the arrears solution, which would benefit India if a fresh scheme were more in her favour than the provisional scheme is, are recommendations and not positive resolutions.

After consulting with Mr Sastri (H. H. the Maharao of Kutch had had to leave Geneva when the matter came on), Sir W. Meyer abstained on the provisional scheme resolution, and voted in favour of the other proposals. Still the position remains better than when Committee IV concluded its labours, and considerably better than had been anticipated when the discussions in that Committee began. It may be mentioned here that on the budget for 1922 India would, under the provisional scheme, pay about 1,380,000 gold francs against 1,022,000 which she would contribute under the Postal Union scheme.

109. It has to be remembered, however, that until the Covenant is amended the Postal Union scale holds the field, and that the Government of India have full liberty to ratify, or decline to ratify, the proposals carried in the Assembly. (They would, of course, be allowed to reconsider with reference to the last clause of Article 26 of the Covenant, if a majority for ratification had been secured without them, and they need not act without very full consideration.) And until the Covenant has been definitely amended by the necessary votes of all the Council States and a majority of the rest, a procedure which must take a long time, India will certainly be within her right in declining to pay anything more than what her obligations under the Postal Union scale impose on her.

AUDITED ACCOUNTS AND BUDGET OF THE LEAGUE.

110. In regard to the audited accounts of the Secretariat for the period July-December 1920 (the audit of the first half of 1920 came before the Assembly last year), attention was drawn by some of the Dominions Delegates and Sir W. Meyer to the extraordinary method adopted by the Swiss auditors in setting forth the income and expenditure of the League for the period in question. They had included in the income a large amount of subscriptions due for this period from a number of States which had not been paid within it, with the result that they showed a large surplus, while there was really a deficit involving temporary borrowing from Lloyds' Bank. It was agreed that, while this statement should be maintained as possibly suiting the ideas of continental countries, there should be a supplementary statement setting forth the actual cash receipts and expenditure for the period, with a supplementary note indicating assets subsequently realisable.

The following States have paid nothing as yet on account of 1920:—
 Argentine, Columbia, Guatemala, Liberia, Nicaragua, Paraguay, Rumania,

and Salvador, while there are balances, running from 50 to 80 per cent., still due from South Africa, Panama, Peru, Persia, and the Serb-Croat-Slovene State. On the whole, according to a statement made by Sir Herbert Ames, 10 per cent. of the contributions to the 1920 budget of 10,000,000 gold francs still remain to be paid.

The auditors' report was then passed, as also a similar report for the Labour Office—this latter for the whole year 1920.

111. The Committee then took up the estimates presented by the Secretariat and the Labour Office for the year 1922, put together finally in a general consolidated budget statement (Appendix III, Annexes 6 and 7).

The budget for 1921 was prepared in a most unsatisfactory way, the chief faults being referred to in paragraphs 96-105 of the Indian Delegation's Report on last year's Assembly; in particular, the Labour Office contenting itself with giving globular figures. A great improvement was noticed in regard to the budget of the coming year, attributable mainly to the recommendations (largely due to the initiative of India) made in the Foster-Eysinga report on last year's budget and approved by the Assembly. In particular, the Labour Office figures were put quite clearly, more so indeed than those of the Secretariat, and M. Thomas' explanations compared favourably with those of Sir Herbert Ames. And it may be observed here that the absolute control of the Assembly over the budget is now fully admitted.

The total budget for 1922 as originally presented was, in round figures, for 23,768,000 gold francs (of which 8,245,000 were for the Labour Office), against 21,250,000 in 1921 (of which 7,000,000 were for the Labour Office).

It may be noted in this connection that the increase in the Labour Office estimates does not mean an increase of actual outlay, the Director having been strictly enjoined by his Governing Body not to exceed the total actual expenditure voted for 1921, but a less favourable exchange for Swiss francs, in which the accounts of the Labour Organisation are now kept.

The original figures were added to or modified by various supplementary estimates put in, in a confused fashion, at the last moment, and also by net reductions by Committee IV. The net total result is that the budget for 1922 will now stand at about 20,750,000 gold francs (of which nearly 6,136,000 are for the Labour Office), i.e., a decrease of about 3,000,000 gold francs on the estimates as originally put before us.

This economy is, however, not nearly as drastic as it looks, for no less than 1,364,000 gold francs represents surplus balances accumulated, or likely to accrue, in connection with the Labour Office. It was decided, and very rightly, to allocate these to reduction of the resultant expenditure which would have to be met by the constituent States of the League instead of, as proposed by the Canadian Delegate (Sir George Perley) and Sir Herbert Ames, putting it into the general working capital fund, which is to be available for the Labour Office as well as for the Secretariat (paragraph 84 *supra*).

Sir Herbert Ames had likewise suggested that the Secretariat budget of 1922 should include the replenishment of the working capital fund to the extent of 500,000 gold francs, but this proposal was withdrawn in view of a decision that the fund should be limited to 5,000,000 gold francs.

112. The chief abiding economy was one obtained on a motion by the Brazilian Delegate for a general reduction of 25 per cent. in printing charges, wherever these occurred. He impressed the Committee by the fact that he had made personal investigations as to the price of paper, and found that it had fallen considerably, while the Secretariat apologist had to admit that concomitantly the British Stationery Office (from which the League had hitherto got most of its supplies) had for some reason doubled its prices. This also impressed the Committee, which was relieved to learn that we were not bound in any way to obtain paper from London if we could get it cheaper elsewhere.

113. The estimates for the *Publication Department*, originally 415,000 gold francs, are finally reduced to 356,000 chiefly by reason of the printing economy referred to above. But they now include a supplementary estimate

of 45,000 gold francs for the publication of the League's monthly *Bulletin* in several languages instead of in English and French only. The official who explained the estimates on behalf of the Secretariat wanted not merely a publication in all the principal European languages, but also in those of Japan and China. Sir W. Meyer argued that however desirable that might be, this was not a time to increase expenditure, but on a division the supplementary estimate was carried. Sir W. Meyer then obtained agreement to the suggestion that if translations were made into Chinese and Japanese they should be made into one at least of the Indian languages, *e.g.*, Urdu.

114. Under *Transit*, the original estimate was 500,000 gold francs against 670,000 in 1921, the decrease being due to the fact that there will be no general conference such as there was at Barcelona this year. But a net increase was made to the extent of about 43,000 gold francs with reference to the fact that the Assembly, on the proposal of Committee II, had sanctioned the holding of regional conferences, and that these might involve an outlay of about 100,000 gold francs. There was a feeling at first against this latter supplementary estimate, but M. van Eysinga (Netherlands), supported by Sir Rennell Rodd and M. Reveillaud, urged that the Committee could not put itself in a position of opposition to the Assembly. This, however, elicited a general desire to have matters put on a more satisfactory basis, so that no projects involving additional expenditure should be put before the Assembly by other Committees until they had been considered also in Committee IV, a matter which will be further dealt with later. Sir W. Meyer pointed out that, even as matters at present stood, while necessarily bound to accept the policy laid down by the Assembly, it was the Committee's duty to consider, and if necessary to criticise, the departmental estimates submitted to carry out that policy: in the present case such regional conferences as were required (and it had been indicated by an official apologist that there might not be any at all) could be met out of the original vote of 500,000 gold francs. Finally, it was decided, on the motion of M. Reveillaud, to pass a supplementary vote for 50,000 gold francs, thus allowing for extension of the estimates with reference to regional conferences, and at the same time vindicating the Committee's prerogative of dealing with expenditure. This increase was to a slight extent set off by some minor savings.

115. For the purpose of books and library equipment, Sir W. Myer obtained a reduction of 65,000 gold francs, in order to reduce the figure to that of the 1921 budget, pointing out that the Expert Committee on Organisation had criticised the scale of the Library as too ambitious.

116. The question of exchange and exchange compensation allowances came under discussion with reference to the Labour Office estimates, and M. Thomas had to admit that it was quite incorrect on present indications to assume that 20 gold francs would be equal to 24 Swiss, the rate of conversion taken for 1922. He stated that the accounts had been first of all kept in pounds sterling, then in Swiss francs, then—at the instigation of Sir Herbert Ames—in gold francs, and now in Swiss francs again; and asked pathetically how he was to avoid getting into confusion. It has now been settled that the domestic accounts of the Labour Organisation shall be kept entirely in Swiss francs, and that the globular result will be converted into gold francs for the purpose of the final budget at the current rate of exchange. M. Thomas also explained, with reference to the special allowance of at least 24 Swiss francs for 20 gold francs given to members of the staff, that prior to the move of the office from London to Geneva, everybody's salary was fixed in pounds sterling, but that those subsequently recruited had their salaries fixed in Swiss francs. It was the former class who were considered entitled to compensation for unfavourable developments of exchange. It was finally decided that the whole matter of exchange compensation should be submitted for consideration to the Salaries Adjustment Committee.

117. An important economy was effected in regard to a sum of 500,000 gold francs, which M. Thomas explained was to be a carry-on from 1921 of a reserve for buying or building permanent premises for the International Labour Office. It was pointed out that it had already been decided (paragraph 88

supra) that pending decision as to the future seat of the League, which it was hoped would be taken up next year, the Labour Office should remain in rented premises, and that this credit was therefore as yet unnecessary.

Finally, as M. Thomas pressed for something to be voted to him, so that he might in next year's Committee show that there was a definite policy, it was resolved that a sum of 20,000 gold francs should be substituted for the original 500,000, the said 20,000 to be employed in preliminary investigations, such as the drawing up of plans, or possibly on the purchase of an option.

118. The budget discussions were on the whole quite satisfactory. Owing largely to pressure exerted by India last year, the estimates are now much fuller, and in particular the Labour Office has given detailed figures instead of globular sums. As regards the examination of these, although Sir W. Meyer and Sir James Allen (New Zealand), who gave him generally uniform support, were not able to obtain all the reductions they would have liked, they did effect several material cuts, which have been already mentioned, and in regard to these received useful support from the Brazilian Delegate (M. Barboza Carneiro), who commanded some following from the Latin-American States.

119. M. van Eysinga's Report, setting forth the Committee's actions in regard to the budget and financial administration generally (Appendix III, Annex 8), came before the Assembly on the 3rd October. The figure of 20,758,945 gold francs given on the first page of M. van Eysinga's Report in respect of the budget for 1922 has now to be raised by 100,000 gold francs, with reference to the decision in regard to Albania referred to in paragraph 155 (Appendix II, Resolution No. 20). Action by Assembly

M. van Eysinga made an effective speech in support of the Report, and Sir W. Meyer followed him with a speech, which is printed in Appendix IV (Annex 4). The recommendations and resolutions were then unanimously accepted (Appendix II, Resolution No. 21).

An important decision, as to proposals involving expenditure being submitted by other Committees to Committee IV prior to being placed before the Assembly, which had been passed on by the Committee to Committee No. I for consideration from a drafting point of view, was, as stated in paragraph 42, formally passed at a subsequent sitting on the 6th October as an amendment of the Assembly's Rules of Procedure (Appendix II, Resolution No. 31).

Work of Committee No. V. (Humanitarian Questions).

THE TRAFFIC IN OPIUM.

120. At the meeting of the 13th September the Committee began the discussion of the Report of the Advisory Committee on Opium and the Report of the Council on that Report. All that emerged from a very vague and general preliminary discussion was a resolution in the following terms:—

“This Committee recommends to the Assembly that the various Governments be invited, where they see no objection, to furnish to the Secretariat, in addition to the official annual Report, any information concerning the illicit production, manufacture, or trade in opium or other noxious drugs, which they think likely to be useful to the Committee in the execution of its duties.”

121. In view of the dangerous character of the last recommendation contained in the Council Resolution (printed in Appendix III, Annex 9) to be subsequently discussed, the attendance was procured at Geneva of the Indian member of the Advisory Committee (Mr. J. Campbell). Briefly, while the Advisory Committee had drawn attention to the very unsatisfactory position in China in respect of opium production there, and proposed that the matter should be brought to the notice of the Chinese authorities, Mr. Wellington Koo, who had been nominated Reporter by the Council in respect of this matter, suggested the elimination of that recommendation. On the other hand, he proposed to ask the Advisory Committee, in view of “the general desire” to limit opium production to strictly medicinal and scientific purposes, to consider the institution of an enquiry as to the average requirements for

these purposes in the different countries. This was going far beyond the provisions of the Hague Convention, which recognised the legitimate use of raw opium under due restriction.

122. When the discussion was resumed on the 14th. September, with reference to the resolution of the Council on Mr. Koo's report upon the recommendations of the Advisory Committee, Mr. Sastri delivered a speech which made a profound impression upon the Committee. He pointed out that the report of a special expert body had been set aside without adequate reasons being given, and, commenting on Mr. Koo's proposal, endorsed by the Council, that the question of making representations to China regarding her poppy cultivation should be deferred, emphasised the infructuous sacrifices of India on behalf of China and the present position of the latter country as the leading opium producer of the world. As regards recommendation 7 of the Council's resolution, inviting the Advisory Committee to report on "the possibility of instituting an enquiry to determine approximately the average requirements of raw and prepared opium specified in Chapters I and II of the Convention for medicinal and scientific purposes in different countries," Mr. Sastri pointed out that the terms of this recommendation must be read with Mr. Koo's preliminary report, in which the object of the resolution was clearly stated to be the eventual limitation of poppy cultivation to strictly medicinal and scientific purposes. He emphasised the fact that this object was not among those which the Hague Convention was drawn up to attain, and urged that action in the sense suggested was *ultra vires* of the League. He then attacked the proposal on its merits, pointed out the hardship such limitation would entail upon the people of India, many of whom were far from dispensaries and medical advice, and had for generations taken opium in moderate amounts as a febrifuge, and explained that action in the direction contemplated by Mr. Koo would be practically effective in regard to India only among the opium producing nations. Turkey had not acceded to the Hague Convention, Persia had signed with a reservation that robbed her signature of practical value, and no attempt at restriction of cultivation in China had the slightest chance of success in the existing circumstances of that country.

India was quite ready, when the time came, to consider a further advance on the position as it was left by the Hague Convention. But, owing to the war, that Convention had only lately come into general application, and it was essential to secure due observance of its provisions, in China as elsewhere, before trying to occupy fresh ground.

123. At the meeting of 17th September, Mr. Wellington Koo made his reply to Mr. Sastri. He opened his exposition by an account, on the usual lines followed by anti-opium societies, of the history of the wars with China; and the burden of his introduction was the heroic struggle of China against the Western Powers, which (he said) finally forced opium upon that reluctant country at the point of the bayonet. He then narrated the history of what happened between 1908 and 1917, and acknowledged the great assistance India had rendered to China. Recrudescence of cultivation since the latter year he admitted; but while refusing to accept Mr. Sastri's statement that China's production of opium amounted to four-fifths of the total output of the world, he made no effort to challenge the accuracy of that estimate. He asserted that it was not his personal intervention which had led to the resolution Mr. Sastri challenged, and explained that recommendation 5 of the Advisory Committee was dropped by the Council, as it involved direct interference by the Council in the internal affairs of China, and was also unnecessary in view of the action which the Chinese Government had taken to ascertain the facts as they now existed regarding opium cultivation in China. Sir John Jordan, who acted as one of the assessors on the Advisory Committee, had expressed himself satisfied with this action—the appointment of seven Chinese High Commissioners to ascertain the real position and to enforce the existing laws.

He thought that Mr. Sastri had misunderstood the purport and scope of the draft recommendation (7) of the Council. There was no desire to embark on an immediate campaign against the production of opium otherwise than for

medical and scientific purposes. All that was contemplated was an enquiry, if the Advisory Committee agreed that such an enquiry could profitably be made, which would give the Assembly and the Council information necessary for the formulation of a reasoned policy. Such information the Council was fully competent to collect. If restriction of production was finally approved by the League as their definite policy, India would be asked to co-operate; she would not be compelled to adopt that policy. Mr. Koo laid great stress on the point that this policy, if definitely decided on, could be postponed to any date, however remote.

124. The Committee then proceeded to vote on the various individual recommendations contained in the Council's draft resolution. Recommendations 1, 2, 4 and 5 were unanimously adopted and recommendations 3, 6 and 7 were referred, at Mr. Balfour's suggestion, to a Sub-Committee constituted as follows:—Mr. Sastri (India), Mr. Wellington Koo (China), Mlle. Bonnevie (Norway), M. Avramovitch (Serbia), M. van Swinderen (Netherlands), Professor Gilbert Murray (South Africa), M. Hennessy (France).

125. This Sub-Committee held several meetings on the 19th and 20th September, and commenced with a discussion in respect of the terms of recommendation 3 of the resolution, which is as follows:—

“That the provisional Health Committee of the League, or any other similar organisation, be asked to undertake an enquiry to determine approximately the average requirements of the drugs specified in Chapter III of the International Opium Convention, for medical and other legitimate purposes in different countries.”

M. Hennessy (France), supported by M. Avramovitch (Serb-Croat-Slovene State), took strong exception to the terms of this proposal, especially to the intervention it involved of the Health Organisation of the League. They pointed out the danger, and, indeed, the illegality, of inquisitorial inquiries in respect of the internal arrangements of the various States. Sir Malcolm Delevinge, who attended the Sub-Committee as having been British “expert” on the Opium Advisory Committee, said it was too late to take this point, as the Council had referred the matter to the Health Organisation, which was considering it.

This evoked immediate and strong protests from the delegates of France and the Netherlands as being a usurpation by the Council of the functions of the Assembly. Professor Gilbert Murray contended that the Council's recommendation was not a usurpation but merely a well-intentioned method to facilitate the progress of investigation, provided the Assembly approved this. This view did not find favour with the protesting delegates, but they agreed to accept the assurance that the Council had not intended to usurp the Assembly's functions.

A representative of the Provisional Health Organisation, who attended, explained that his Committee were only at present engaged on quite tentative inquiries in regard to the possibility of obtaining the statistics desired by the Council, and that no definite decision had as yet been arrived at on this point, and gave the assurance that in any case no inquisitorial inquiries would be made in the countries concerned. He in fact accepted the view expressed by the delegates of France and Serbia that any information needed must be supplied by the Governments concerned.

One of the Persian delegates (Prince Arfa-ed-Dowleh), who, although not an original member of this Sub-Committee, was subsequently added to it, delivered a speech which was much to the point. He indicated the dangers of interfering with secular habits in Oriental countries, and asked how, if and when the League had decided the amount of opium production which should be allowed to the world in general, this would be distributed among the producing States. He inquired further how they would deal with a country like Afghanistan, which produced some opium, but is outside the League's sphere.

It was finally decided to accept this portion of the Council's resolution, but to amplify it by an explanation, to form part of the resolution, designed to meet the various criticisms advanced.

126. Paragraph 6 of the Council Resolution, which shelved consideration of the recommendation of the Advisory Committee that representations should be made to the Chinese authorities as to the opium situation in that country, was then discussed. Mr. Sastri recapitulated the arguments against Mr. Koo's shelving proposal, which had been adopted by the Council, and in favour of adopting the proposal of the Opium Advisory Committee. He suggested that the wording of the recommendation might be modified in order to avoid any injury to Chinese susceptibilities; but he urged strongly that its substance must be maintained unless the League of Nations were prepared to neglect the duties which the Covenant, read with the Hague Convention, imposed on them. He showed that China was at present the *crux* of the opium position: and he stressed the argument that if the League of Nations refused to take notice of the admitted failure of China to make her declared policy effective, then all attempts at suppression by the League must be abandoned. Professor Murray agreed generally with Mr. Sastri, but asked that the wording of the Opium Advisory Committee's recommendation be somewhat toned down; China's temporary representative (Mr. Koo being engaged elsewhere) preferred not to speak; M. Hennessy (France) agreed with Mr. Sastri and Professor Murray; and M. van Swinderen (Netherlands) expressed his concurrence also. It was decided that an effort should be made to secure an agreed text with Mr. Wellington Koo on these lines. This text could then be considered at the next meeting.

127. As regards paragraph 7 of the Council Resolution:—

"That in view of the world-wide interest in the attitude of the League towards the opium question and of the general desire to reduce and restrict the cultivation and production of opium to strictly medicinal and scientific purposes, the Advisory Committee on Traffic in Opium be requested to consider and report at its next meeting on the possibility of instituting an enquiry to determine approximately the average requirements of raw and prepared opium specified in Chapters I and II of the Convention for medicinal and scientific purposes in different countries."

Mr. Sastri proposed an amendment, which Sir William Meyer had originally suggested to Mr. Koo in personal conference, *viz.*, the substitution of "legitimate" for "medicinal and scientific" where these words occurred in the resolution. After some discussion this was unanimously accepted, the word "strictly" being also omitted in the first portion of the resolution. Mr. Koo, who again failed to attend the meeting, sent a message by his representative to the effect that, in his opinion, any modification of a resolution approved by the Council would form a most dangerous precedent. The Sub-Committee did not, however, accept this.

128. When the Sub-Committee next met Mr. Koo endeavoured to reopen the questions previously discussed. Mr. Sastri raised a point of order on this, but the Chairman held that, as Mr. Koo had been prevented by *force majeure* from attending on previous occasions (he had to attend Council meetings) he should be allowed to state his case fully. Mr. Koo then advanced every possible plea in favour of the Council Resolution as regards all points which had come under discussion; and he finally entrenched himself behind an alleged constitutional point, that the Assembly had no power to alter a Resolution of the Council. The Chairman disagreed as to this and was supported by the delegates of France, Serbia and Norway. It was finally decided that an addition should be made to paragraph 5 of the Council Resolution, adding "and of China" after the words "Contracting Powers having treaties with China," thereby calling attention to China's obligations under Article 15 of the Hague Convention; and that formal note should be made of the action said to have been taken by China to ascertain the facts as regards the recrudescence of poppy cultivation there. Mr. Sastri accepted this. Mr. Koo intimated that he reserved the right to raise his "constitutional" point in full Committee and in the Assembly.

As regards paragraph 7 of the Council Resolution, Mr. Koo repeated all his old arguments, but obtained no support. He then suggested that the Council Resolution should be merely expanded so as to cover the consumption of opium "for other legitimate purposes." Mr. Sastri objected to this; the Norwegian Delegate concurred, and on a vote being taken Mr. Koo alone supported the Council Resolution as it stood, all the other delegates voting for the amendment proposed by Mr. Sastri and agreed to at the meeting that morning.

129. At a final meeting of the Sub-Committee on the 21st to consider the draft report to be submitted to the Plenary Committee, M. van Swinderen, as Chairman, explained that he had had a lengthy conversation with Mr. Wellington Koo, and was impressed with the desirability of avoiding any reference in the report to the possibility of a conflict between the Council and the Assembly. He had drafted the report most carefully with that end in view, and he understood that, if the Sub-Committee generally accepted the draft, it would be accepted by Mr. Koo also. The draft was then unanimously adopted. From India's point of view the report was suitable; it reproduced correctly the decisions arrived at by the Sub-Committee, and there was nothing in the introductory matter to which objection could reasonably be taken. The report represents the complete triumph of India's very legitimate objections to the original Council proposals, and this result was very largely due to the convincing presentation of her case by Mr. Sastri and the working up of details by Mr. Campbell.

130. In discussing the report, M. Hennessy made an attempt to get the word "legitimate" defined, so as to prevent a possible large expansion of its meaning and consequent abuse; Mr. Sastri objected to this, and pointed out that it would be much safer not to attempt any definition. He called attention to the declared object of the Hague Convention, which was to suppress the "abuse" of opium; "abuse" was not defined in the Convention, and we should not attempt to define "legitimate" here. The Serbian Delegate agreed. Professor Murray, however, suggested that a direct reference, by way of example, might later be made to legitimate uses of opium in India; and to this Mr. Sastri had no objection.

131. The Sub-Committee unanimously agreed to exclude "prepared opium" from their resolution, in view of the provisions of Chapter II of the Hague Convention, which form a self-contained code. The Convention requires "the gradual and effective suppression . . . of the use of prepared opium"; in these circumstances an enquiry into the legitimate consumption of prepared opium would obviously be inappropriate.

132. At the full Committee meeting of the 21st, M. van Swinderen, the *rapporteur*, explained the conclusion arrived at by the Sub-Committee, and after some discussion the report was unanimously adopted.

It was proposed, on the suggestion of Mlle. Bonnevie (Norway), supported by Professor Gilbert Murray, that the report should contain a passage asking the Council to consider whether all nations specially concerned with the growth or manufacture of opium or its derivatives should not be represented on the Technical Advisory Committee, and special reference was made to Germany as being a large producer of cocaine and other drugs.

This was carried, and it is obviously desirable that Germany should be represented.

133. The following proposals were then passed on the motion of Sir Malcolm Delevingne:—

- (1) That the Committee recommend to the Assembly to urge upon all States Members of the League which have not yet signed and ratified the Opium Convention to do so as soon as possible.
- (2) That the second recommendation of the Advisory Committee as to the making by each State of an annual report on the execution of the Convention (which was adopted by the Council but does not appear in the resolutions of the Council on page 72 of the Report to the Assembly) be approved.

- (3) That, in order to facilitate the execution of the Convention, the Committee recommend to the Assembly to urge all States Members of the League to intimate to the Secretariat as soon as possible their acceptance of the fourth recommendation of the Advisory Committee as to the requirement of import certificates.

134. At the last moment M. Hennessy (France) proposed that a fresh international conference should be held in order to deal effectively with deleterious drugs not precisely covered by the terms of The Hague Convention; he asserted that manufacture of such drugs was now being carried out, but did not produce convincing evidence of this. M. Sastri took the line that a fresh conference was inadvisable until the ground covered by The Hague Convention had been more fully secured; but he did not desire to object, especially as the proposed recommendation did not settle the matter definitely, but merely called for the opinion of the Advisory Committee.

135. The conclusions of the Committee were embodied in a report presented to the Assembly by M. Ferreira (Portugal) on the 30th September (Appendix III, Annex 9). In the course of his observations on the recommendations of the Committee, the *rapporteur* made the statement that in India the population "has cultivated the opium poppy from time immemorial." It was pointed out privately that this was incorrect in present conditions, poppy cultivation being restricted to certain definite tracts, and in his verbal report to the Assembly M. Ferreira omitted the passage. Steps were then taken to ensure that the passage would also be omitted from the final official text of the report.

136. It had been finally arranged by Sir William Meyer with Mr. Wellington Koo that neither China nor India should address the Assembly on the subject of opium, and the debate was brief, being confined to representatives of Persia, France and the Netherlands, the last mentioned (M. van Swinderen) merely intervening as representing the Power under whose auspices The Hague Convention had been summoned and which had hitherto been its guardian. The speech delivered by M. Hennessy (France) was an explanation of his recommendation above referred to.

The Assembly unanimously passed the resolution which had been put before it and which will be found in Appendix II (Resolution No. 15). Paragraphs 4 and 8 of this resolution are those dealing with the questions which had been in issue between the Indian and Chinese Delegates.

136A. It may be added that subsequently the Council once more appointed Mr. Wellington Koo as their *rapporteur* on the subject of the Assembly's resolution, and that he proposed, and obtained, its acceptance, suggesting that, with reference to paragraph 10 of the resolution, Germany and the Serb-Croat-Slovene State should be asked to send representatives to the Technical Advisory Committee.

DEPORTATION OF WOMEN AND CHILDREN IN TURKEY AND ADJOINING COUNTRIES.

137. On the 23rd September the Assembly passed unanimously a resolution (Appendix II, Resolution 8), which was presented by Mlle. Vacaresco (Rumania), in an eloquent speech, and had been approved in Committee V, on the subject of the deportation of women and children in Turkey and the adjoining countries. The resolution recommended the establishment in Constantinople of a Commissioner of the League of Nations, who should be assisted by a Committee consisting of the High Commissioners of France, Great Britain and Italy, and should be placed in control of a mixed Board dealing with the reclamation of women and children. It also proposed that the Neutral House for the temporary reception of women and children should be reorganised and placed under the Commission of Enquiry, and that additional Neutral Houses should be opened as circumstances admit.

TRAFFIC IN WOMEN AND CHILDREN.

138. The Committee discussed an *exposé* by Mlle. Forchhammer (Denmark) on the present position in regard to what used to be the "white slave traffic," but is now, to avoid racial distinction, to be styled the "traffic in women and children."

The position, as it stood at the close of last year's Assembly, is indicated in Resolution 27 of Appendix II to the Indian Delegation's Report. There was an international agreement dealing with this subject in 1904, to which India was a party, and a convention in 1910, which India abstained from agreeing to, on the ground that the age limits were inappropriate.

139. In accordance with the Assembly's wish of last year, a special Conference was held last June, at which India was very ably represented by Mr. S. M. Edwardes, C.I.E., whose report indicated that the recommendations of this Conference for a new convention might be accepted by India, subject to certain stipulations in regard to age and other matters. A draft convention embodying the "Final Act" of the Conference, which sums up its proposals had been drawn up by the British representative on the Council, and this now came before Committee V.

The resolution proposed by Mlle. Forchhammer and redrafted by Professor Gilbert Murray was to the following effect:—

- (a) That the Assembly confirm the Final Act of the Conference on the Traffic in Women and Children.
- (b) That the amended draft convention based on the Final Act of the Conference be adopted, and that a protocol of signature be opened at the Assembly.
- (c) That all Delegates be requested to communicate immediately with their respective Governments asking for full powers to sign the protocol.

140. For some rather obscure reason the French Delegate opposed this procedure very vehemently, and raised the point that it was *ultra vires* for the League to draw up a convention, overlooking apparently that this method had been adopted last year in connection with the International Tribunal at The Hague. The French contention that at any rate there should be a preliminary reference to Committee I, which deals with constitutional questions relating to the Covenant, was rejected by 17 votes to 8, and by 17 votes to 5 the Committee accepted the resolution as drafted by Professor Gilbert Murray.

141. In the course of the discussion Mr. Sastri made it clear that India could not accept the age limit (21) now proposed for the protection of girls. India's internal legislation fixed this age at 16, and having regard to early maturity in tropical countries, that age could not be expediently exceeded while it would obviously be undesirable to have a special higher limit for the benefit of a very limited number of non-Indians. (This in effect was the argument which India had put forward against joining the convention of 1910.)

India's objection to the age limit was supported by the representatives of Japan and Siam, and it was decided that their reservations should be indicated.

The Committee instructed the *rapporteur* (Professor Murray) to provide for this in the draft convention, and to make sure that the latter did not go beyond the recommendations of the Final Act adopted by the Conference.

As regards signature of the convention before the Assembly dissolved, Sir William Meyer was unable to take this course, as the Government of India had not yet had the opportunity of expressing their views as regards either the report of Mr. Edwardes or the draft convention itself.

142. At a later meeting Professor Murray's report, in which he had been assisted by a small drafting Committee, was brought up. They proposed some slight verbal alterations in the convention, to make it follow more closely the wording of certain recommendations of the Conference, and expressed the opinion that the reservations as to age by India, Japan and Siam, which were approved by the Committee, might be made on behalf of these Governments

at the time of signing by their representatives, and need not involve an alteration of the text itself.

143. Professor Murray then proposed a resolution in verbal amendment of that referred to in paragraph 139 *supra*, to the following effect:—

“That the Assembly, having taken into consideration the Final Act of the Conference at Geneva on traffic in women and children approved by the Council, expresses the wish that those of its provisions which require conventional form be adopted in that form by the Members of the League with the least possible delay.

“That for the purpose the Assembly recommends that the Delegates, who have the necessary full powers to sign the draft convention annexed, should sign it without delay, and that those who do not yet possess them be invited to communicate immediately with their respective Governments in order to obtain the necessary powers to sign.”

The French Delegate (M. Hennessy) said that France must also make reservations as to age in connection with her tropical colonies, and as there was not sufficient time left to consider the draft convention thoroughly, he suggested that a new special Conference should be held to examine it. This proposal was supported by M. Avramovitch (Serb-Croat-Slovene State), but the revised resolution was carried by 14 votes to 2. Mr. Balfour, in the course of the discussion, observed that an age reservation would also have to be made in regard to certain of the British Crown Colonies, and that for the present he could only sign on behalf of the United Kingdom.

144. On the 29th September Professor Gilbert Murray (South Africa) presented the Committee's report to the Assembly. Having explained the matters at issue, and noted the reservation by the representatives of India, Siam, and Japan in respect of the age question, he put forward the resolution referred to above.

145. The French Delegate put forward the alternative proposal that the Assembly should invite the Governments of the constituent States of the League to examine the “Final Act” of the Conference of 30th June last and the draft convention drawn up by the British representative on the Council of the League; that States should be asked to indicate within four months whether they would agree to have a protocol of signature in respect of this convention opened at Geneva, and that such protocol should be opened if and when two-thirds of the States consulted had sent in favourable replies in respect thereof; also that if not less than one-half of the States of the League asked for an entirely fresh Conference to consider the convention, this Conference should be at once convened.

M. Hanotaux (France) said that he took exception to the resolution before the Assembly because the convention was the work, not of a Committee composed of delegates of the Powers, but of what might be called a private drafting Committee. (There seemed to be a good deal of jealousy on the part of France that Great Britain had prepared this draft without preliminary reference to her.) He contended that the convention differed in various respects from the “Final Act” of the special Conference of June last, and that it would appear to exclude colonies and dependencies. Professor Murray replied that the original British draft had been revised by a Committee of Jurists in co-operation with French experts, and that it had been again gone into, and revised, by two members of the Assembly who had been elected Judges of the Permanent Court of International Justice.

146. Mr. Balfour pleaded eloquently for the adoption of the original resolution, pointing out the delay that the French proposal would involve, and asking the Assembly not to admit any avoidable delays in respect of a traffic which was a discredit to the world. The same line was taken by other speakers, *e.g.*, M. La Fontaine (Belgium) and M. Ador (Switzerland), while M. van Swinderen (Netherlands) asked whether M. Hanotaux would agree to shorten the four months' period in his resolution to two months, and suggested that the protocol might be opened for signature as soon as one-third of the States of

the League had expressed their approval of the convention. M. Hanotaux expressed his willingness to adopt this suggestion, but it was not satisfactory to the great majority of the Delegations, and on a division the French proposal was thrown out by 25 votes to 8, the French supporters being the Netherlands, Poland, Czecho-Slovakia, Serb-Croat-Slovene State, Costa Rica, Cuba and Venezuela.

The original resolution was passed without a dissentient vote, France abstaining. (Appendix II, Resolution No. 14.)

The draft convention as it now stands is printed in Appendix III (Annex 10).

TYPHUS.

147. At the meeting of the 14th September, M. Ador (Switzerland) read a statement summarising the action that had been taken by the Special Epidemics Committee appointed to administer the funds raised from Governments and individuals for combating typhus and other epidemic diseases in Poland, and considered that the work had been very successful, having regard to the paucity of funds available. He pointed out that the difficulties were increased by the present economic situation in Russia, and begged the Committee to pass a resolution asking the Governments of the League to grant adequate subsidies. On the motion of Mr Wellington Koo, a resolution was adopted to the effect that the Assembly be asked to recommend that the organisation of the Epidemic Committees be continued, and, if necessary, extended to other countries, and that the Presidents of the Assembly and the Council should be asked to issue a special appeal to Members of the League for further contributions.

148. In presenting the Committee's report to the Assembly, M. Ador (Switzerland) said that out of the money promised by various States only 120,000*l.* had actually been paid, France being among the countries which had not yet contributed, and that meanwhile the Epidemics Committee set up to administer these funds had been able materially to improve the working of the health organisation in Poland. The resolution referred to above was then passed unanimously. (Appendix II, Resolution No. 5.)

*Action by
Assembly.*

THE INTERNATIONAL CO-ORDINATION OF INTELLECTUAL WORK.

149. This was a matter which the Assembly had decided to take up last year (*vide* paragraph 71 of the Indian Delegates' Report). The Committee expressed approval of a draft resolution prepared by M. Bourgeois (France), which had been put forward by the Council, and which was to the effect that a Committee should be set up "to examine international questions regarding intellectual co-operation and education," which should submit to the next Assembly a report on measures that might with advantage be taken by the League to promote international co-operation with regard to intellectual work.

The Committee resolved that this special Committee should consist, as proposed by M. Bourgeois, of not more than 12 members, to be selected by the Council, and on the proposal of the Norwegian Delegate it was decided to indicate that these members might include women. In the resolution as approved by the Committee, a reference to methods of education, which had been proposed in the Bourgeois draft, was omitted, as it was thought undesirable to create the impression that the League was anxious to interfere with national educational systems.

150. Professor Gilbert Murray (South Africa) who was appointed to put the matter before the Assembly, presented the Committee's report at the plenary meeting on the 22nd September, and indicated in the course of his speech that action for the co-ordination of intellectual work would be specially valuable in three main respects:—(1) for the protection of intellectual workers who in many countries had been reduced to a condition of great distress; (2) for the practical advancement of knowledge, which had been seriously impeded by the war; (3) for the spread of the international spirit.

*Action by
Assembly.*

This resolution was carried unanimously. (Appendix II, Resolution No. 4.)

EASTERN GALICIA.

151. On the 27th September the Assembly adopted without discussion a resolution asking for expedition on the part of the Allied and Associated Powers on the subject of determining the status of Eastern Galicia originally proposed by Mr Doherty (Canada) and approved with slight alterations by Committee No. V. (Appendix II, Resolution No. 11.)

Work of Committee No. VI (Political Questions.)

ADMISSION OF NEW STATES TO THE LEAGUE.

152. The candidates were Esthonia, Latvia and Lithuania—who were not admitted last year on the ground that their internal conditions were at the time very uncertain and that the League could not well protect them in the event of Russian re-vindication—and Hungary.

The Committee now thought that the time had come for the full admission of the three States first-named, which had been permitted last year to join the League's technical organisations, and this recommendation was endorsed by the Assembly.

153. As regards Hungary, the Hungarian emissaries present in Geneva decided to ask that their application for admission should be postponed till next year, and this was a wise course to take as at the recent Assembly Hungary's application would certainly have been rejected in view of her attitude in regard to the territories she was to cede to Austria and other treaty obligations. (Appendix II, Resolution No. 17.)

ALBANIA.

154. The Committee sitting of the 26th September was devoted to a rather stormy discussion, in which the protagonists were the Albanian and Serbian delegates, as to the situation in Albania.

The Albanian delegate (Bishop Fan Noli) had proposed that the League of Nations should request the principal Governments concerned to compel the Serbs to withdraw from Albanian territory they occupied in defiance of the boundaries fixed in 1913; that a commission should be sent to report on the situation on the spot: and that the League should use its influence to obtain *de jure* recognition of the Tirana Government.

Mr. Fisher (Great Britain) indicated that the actual delimitation of the frontiers of Albania had been referred to the Conference of Ambassadors, that the British view was that their decision when announced would be binding, and that the Greek and Serb-Croat-Slovene Governments had bound themselves to accept this decision, but the Albanian Government had not done so. He urged Bishop Fan Noli to follow the example of his neighbours. The Marquis Imperiali (Italy) agreed with Mr. Fisher that the Conference of Ambassadors alone was competent to deal with this frontier delimitation. Lord Robert Cecil proposed two resolutions, *viz.*, that the Assembly should (1) recommend to Albania acceptance of the decision that would be come to by the Supreme Council on the report of the Ambassadors Conference, and (2) should request the Council of the League, after the decision of the Supreme Council had been given, to appoint forthwith a commission of three impartial persons to proceed to Albania and report as to the execution of this decision. M. Reynald (France) and M. Frangulis (Greece) opposed this latter resolution, but after some discussion it was carried, as also the first.

Lord Robert Cecil also obtained approval to a suggestion that representations should be made in respect of speedy decision by the Ambassadors Conference in regard to the territorial disputes between Albania, Greece, and the Serb-Croat-Slovene State.

155. These resolutions were presented by Lord Robert Cecil to the Assembly on the 3rd October, with a supplementary resolution that, in order to provide for the expenses of the Committee of Enquiry proposed, the sum of 100,000 gold francs should be provided in the budget of 1922. There was

considerable discussion, in which the representatives of Albania, Italy, Serb-Croat-Slovene State, Greece, France, and Mr. Balfour took part, and the Greek delegate (M. Casangis) proposed that to the Committee of Enquiry should be added representatives of Greece, Albania, and Serbia. This amendment was, however, withdrawn on the appeal of Lord Robert Cecil, who pointed out that the addition of interested parties was not likely to help the Commission to speedy and impartial decisions. The resolutions were then adopted, with the proviso that that relating to the vote of credit must be further considered in connection with the discussion of the Budget. (Appendix II, Resolution No. 20.)

FAMINE IN RUSSIA.

156. On the 9th September Dr. Nansen moved the following resolution in the Assembly :—

“ That the Assembly refer to a Committee the question of the present famine in Russia.

“ That the Committee consider whether it is advisable for the Assembly (1) to make a pressing appeal to the Governments to provide the necessary credits, and (2) to invite the Council to offer the services of the Organisation for International Credits (established by the Council of the League in connection with the Ter Meulen scheme) to act as trustee for the financial control of any credits made available and for the supervision of any security provided by the Russian Government against such credits.”

In a speech which he made in introducing the resolution, Dr. Nansen said that the action of the International Conference held at Geneva on the 15th August in appointing him High Commissioner for Relief Work in Russia had enabled him to study the situation on the spot. He had satisfied himself that the condition of famine in the affected districts had not been exaggerated, and that an expenditure of 30½ million was needed in order to obtain the necessary grain supplies from outside Russia. He considered that adequate control could be exercised, both over relief supplies and credits advanced to Russia, by the Western Governments.

157. The resolution was referred to Committee No. VI, which reported on the subject to the Assembly on the 30th September.

The report was introduced by M. Motta, who stated that although the Committee could not adopt the suggestions contained in Dr. Nansen's resolution, it had decided that it could not remain indifferent or abstain from all action. As regards the question of official credits, the Committee considered that as the Supreme Council had appointed an International Relief Committee, to meet at Brussels on 6th October, which would contain representatives of 27 Governments, including the United States of America and Germany, the League should not take up a question which was to be decided by another body. In the matter of the agreements which had been concluded between Dr. Nansen and the Soviets, the Assembly was not competent to do more than affirm its confidence in Dr. Nansen. On the other hand, the Committee had decided that it was necessary to address an appeal to public opinion and to the charitable organisations of the world; that it was desirable to call attention to the claims for relief of Armenia, Azerbaidjan, and Georgia; and that Governments might help by surrendering military stores of clothing and provisions accumulated during the war. M. Motta also associated himself with two supplementary resolutions proposed by Lord Robert Cecil, the first a motion of confidence in Dr. Nansen, and the second expressly disengaging the responsibility of the League for Russian relief in view of the statement made by several delegates to the effect that their Governments would not grant official credits.

Dr. Nansen mourned eloquently over the defeat of his resolution, which he said had not been proposed in order to strengthen appeals to private charities, which needed no such spur. It was a disastrous mistake to throw the burden upon these organisations, which could not cope with the situation. The American organisation was feeding 3,000,000 children; the Pope had given a million

lire; the "Save the Children Fund" could feed a quarter of a million; and the Second International at Amsterdam had contributed 10,000,000 marks. But this was not enough. The Governments of Norway, Sweden, Esthonia, Latvia and Lithuania had already acted, and he was convinced that the people of Europe would compel their Governments to revise their present decision. Unless this were done the Brussels Conference could effect nothing. His agreement with the Soviets had been criticised, but if no help were forthcoming until a Committee of Enquiry had been sent into Russia and a new agreement drawn up, then that help would come too late.

M. Spalaikovitch (Serb-Croat-Slovene State) then proposed the following amendment to the Committee's resolution:—

"The Assembly most severely condemns the economic and political system of the Soviet Government and holds it chiefly responsible for the present catastrophe in Russia and for the attempt to conduct a criminal propaganda with the object of causing similar catastrophes in other countries."

Mr. Fisher begged that this might be withdrawn, and by way of propitiation proposed to substitute the following for Lord Robert Cecil's motion of confidence in Dr. Nansen:—

"The Assembly has no sufficient information as to the influences by which the Soviet Government is moved, or as to the conditions under which it is working, but it considers that Dr. Nansen's successful repatriation of prisoners of war augurs well for any enterprise he may be prepared to undertake for the relief of famine-stricken regions in Armenia, Azerbaidjan, Georgia and Russia.

Both Lord Robert Cecil and M. Spalaikovitch agreed to this, and the resolution was passed by the Assembly, together with the resolutions put forwarded by the Committee and the further resolution proposed by Lord Robert Cecil, and referred to above, which emphasised that the main reason why the Assembly could take no official action was because delegates had stated that their Governments could not give credits. (Appendix II, Resolution No. 16).

NATIONAL HOME FOR TURKISH-ARMENIANS.

158. A resolution moved in the Assembly by Professor Gilbert Murray, urging the Council of the League of Nations to press upon the Supreme Council the necessity, when peace was finally made between the Turks and the Allies, for safeguarding the future of Armenia and providing the Armenians with a national home independent of Turkish rule was adopted by Committee No. VI, and unanimously passed in the Assembly on the 21st September, though M. Bourgeois (France) held that this matter was outside the competence of the Assembly, and even of the Council of the League, and asked to make a reservation on this point. The resolution as passed by the Assembly is printed in Appendix II (Resolution 3).

MANDATES.

159. The Committee also considered a resolution moved by Lord Robert Cecil in respect of Mandates which ran as follows:—

"The Assembly regrets the delay which has taken place in the definition of the Mandates, recognises that the Council is not responsible for that delay, and is of opinion that it would be desirable that the Mandates of the A and B classes should be forthwith defined." (For definition of A, B and C Mandates, see the Indian Delegation's Report of last year, paragraph 146.)

The consideration of this motion was referred to a Sub-Committee on which the representatives of the British Empire were Lord Robert Cecil himself, Mr. Fisher and Mr. Doherty (Canada).

160. The report of the Sub-Committee, which was presided over by Dr. Nansen (Norway) was approved by the full Committee and considered by the Assembly at the sitting of the 23rd September.

The Sub-Committee's report fully endorsed the view taken in Lord Robert Cecil's resolution and proceeded to add various remarks. The principal of these were that—

- (1) The Committee felt it would be premature to press for immediate action in respect of A Mandates, but that B Mandates, which are founded on the Treaty of Versailles, might be more expeditiously dealt with.
- (2) It was consequently desirable that the Council should at the earliest possible opportunity formally approve the application of the mandate system to Togoland and the Cameroons, and adopt in principle the declaration signed by the representatives of the French and British Governments on 10th July 1919, as to the respective spheres which are to be placed under the authority of each Government.
- (3) It was desirable that the Assembly should invite the Council to state that it is satisfied by its perusal of the draft Mandates that, generally speaking, the principles there laid down carry out the objects which the Covenant has in view, and lay down adequate safeguards for the rights of all Members of the League; and that the Council should express its confidence that Mandatory Powers will continue the administration of the territories committed to their charge in the spirit of the draft Mandates, till it becomes possible to have their Mandates definitely regularised.

Some discussion took place on this, and Lord Robert Cecil, who had been a member of the Sub-Committee, said that personally he would like to see stronger provisions under the B Mandates in regard to the abolition of slavery, the liquor traffic and land. He also had some misgivings as to the provisions of the draft Mandates for Togoland and the Cameroons, which appeared to allow the Mandatories in effect to treat these territories as an integral part of their dominions, but he admitted that there appeared to be no breach of Article 22 of the Covenant. He had associated himself with the report of the Sub-Committee, instead of submitting a minority report, on receiving assurances from the representatives of Great Britain, France and Belgium that their Governments would raise no objection to an examination of reports on the mandated territories by the Mandates Commission set up by the Assembly last year, pending definite regularisation of the situation.

It was then proposed that the Assembly should endorse the Committee's report, and after discussion this was carried unanimously. M. Bourgeois (France) indicated, however, that, while it was the desire of the Council to carry out the work in connection with Mandates as far as possible, he must enter a *caveat* against any action which might prejudice the negotiations going on between the United States and the principal Allied Powers. The Assembly's resolution is printed in Appendix II (Resolution No. 9), and the Committee's report in Appendix III (Annex II).

Miscellaneous Questions dealt with in Full Assembly.

Poland and Lithuania.

161. On the 24th September the Assembly took up a whole day, morning and afternoon, in a discussion on the Polish-Lithuanian question in respect of Vilna, etc. This had been debated by the Council on the 19th and 20th, and on the latter day there had been the innovation of the Council's debate being in public. That meeting had been signalled by a very striking and eloquent speech by Mr. Balfour, in which he strongly criticised the action of the two litigants in evading real decision on the proposals of M. Hymans, who, with their consent, had been appointed by the Council to try to obtain agreement between them. Reading between the lines, his criticism was mainly directed against Poland, as the chief sinner by reason of the fact that General Żeligowski is still in possession of Vilna with the evident connivance of the Polish Government.

The Council had passed a resolution to the effect that they unanimously accepted M. Hymans' second draft scheme, which did not differ in principle from the first, the underlying idea of both being that Vilna should be assigned to Lithuania but on a separate cantonal basis; and that as the Assembly was in session, M. Hymans would be asked to explain to them the present position of the dispute "in order that the Assembly may by its authority contribute to a settlement of the question."

M. Hymans made a very fine speech, explaining at length the phases of the negotiations and the difficulties he had encountered from both parties, and he appealed to both to make sacrifices in the cause of peace.

He was followed by M. Milosez for Lithuania, who said that his Government were ready to accept, with some modifications, M. Hymans' latest final scheme but that the dispute could not be ended till General Zeligowski had evacuated Vilna.

M. Askonasy (Poland) made a very lengthy oration on behalf of his country, but the general impression of the Assembly was well summed up by Lord Robert Cecil, who indicated that the old sympathy of the world with Poland had been materially reduced by the evident connivance of her Government in the Zeligowski *coup d'état*. He proposed a resolution with a rider suggested by M. Zahle (Denmark), urging the two peoples to come to an agreement, and extending the support of the Assembly to the Council in their handling of the matter. (Appendix II, Resolution No. 10.)

Repatriation of Prisoners of War.

162. Dr. Nansen (Norway) read a report on his operations in regard to the repatriation of prisoners of war, in which he stated, *inter alia*, that he had received financial support from various Governments to the extent of 425,000*l.*, Great Britain having been the most liberal contributor, and that as against these funds some 380,000 people had been returned to their families, many of them from remote parts of the old Russian Empire where communications were exceedingly difficult. He paid tribute to the effective co-operation of the Soviet and German Governments.

A Universal Language.

163. A recommendation, signed by 13 Delegates, including His Highness the Maharao of Kutch, presented to the Assembly a resolution for the encouragement of Esperanto as an universal language. (A similar resolution was put forward last year and rejected—*vide* paragraph 70 of the Indian Delegation Report on the work of last year's Assembly.) It was decided to postpone the consideration of the question. (Appendix II, Resolution No. 42.)

The Election of the non-permanent Members of the Council.

164. This matter was dealt with at the Assembly meeting on the 5th October, after the Report of Committee No. I on Article 4 of the Covenant had been considered and approved (*vide* paragraph 38).

It followed that the Assembly was morally bound by its own action to re-elect the existing non-permanent States. But as a formal election was necessary, it was decided that this might be by collective voting for all four States instead of by a ballot for one State at a time as last year. The result was the re-election of Brazil, Spain, Belgium and China.

Concluding remarks.

165. The Assembly broke up on the evening of the 5th October. The work done this year was of a quite solid and useful nature, and the League obtained a considerable amount of prestige by the reference to its Council of the solution of the Upper Silesian question. Whether that prestige will be maintained depends, of course, on the working out in practice of the Council's partition scheme. The coping stone was laid, by the election of judges, to the Tribunal of International Justice, and useful decisions were taken in regard

to technical organisations, and with reference to the traffic in women and children, while the question of the reduction of armaments was discussed in a more practical manner than in 1920, though it was felt that no great progress could be made pending the results of the conference at Washington. The Assembly felt itself unable to follow up Dr. Nansen's request for Government credits for the alleviation of the famine in Russia, but expressed full sympathy with his philanthropic crusade.

As regards matters in which India was specially concerned, we obtained complete satisfaction in the matter of the Assembly's redraft of the Council's resolution on the subject of opium; we made ourselves materially felt in Committee IV, and obtained some reductions in expenditure, and the adoption of a resolution as to paying greater attention to representation of nationalities, our own included, in the League Secretariats. We had also the satisfaction of seeing the adoption of the proposal that the Indian Delegation made last year, which was then rejected, for an outside Committee of Control over the estimates and accounts of the Secretariat and the International Labour Bureau. As regards allocation of contributions, we have had for the time being (subject to the ratification of our Government) to accept a provisional scheme in substitution of the Postal Union Scale, which burdens India more than the latter did, but we have obtained, though not in such a definite form as we should have wished, the principle that this scheme is only provisional and that it ought to be replaced by a better.

Our relations with the Dominions representatives, though very friendly, were not so close as last year, as we were at variance over the allocation scheme.

As last year, we received valuable assistance on occasion from the British Delegation and were specially indebted to Mr. Balfour for kindly advice and endeavour to reconcile differences when these arose, as in regard to the allocation scheme, between ourselves and some of the Dominions. As last year again, the delegates of India all worked together in the most cordial and harmonious way.

W. S. MEYER.

MAHARAO KHENGARJI OF KUTCH.

V. S. SRINIVASAN.

LONDON,
25th November 1921.

LIST OF APPENDICES.

	PAGE
Appendix I. List of States represented and of Delegations . . .	51
Appendix II. Resolutions and Recommendations passed by the Assembly . . .	54
Appendix III. Reports of Committees of the Assembly, and other connected documents	70
ANNEX 1. The Raw Materials Problem (<i>see</i> paragraph 48) . . .	70
,, 2. Reduction of Armaments (<i>see</i> paragraph 61) . . .	74
,, 3. The Economic Weapon (<i>see</i> paragraph 65) . . .	79
,, 4. Organisation of the Secretariat and of the International Labour Office (<i>see</i> paragraph 70)	88
,, 5. Allocation of Expenses (<i>see</i> paragraph 91) . . .	107
,, 6. Original Budget of the League (<i>see</i> paragraph 111) . . .	113
,, 7. Original Budget of the Labour Organisation (<i>see</i> paragraph 111)	115
,, 8. Financial Administration of the League (<i>see</i> paragraph 119)	118
,, 9. Traffic in Opium (<i>see</i> paragraph 120)	125
,, 10. Traffic in Women and Children (<i>see</i> paragraph 138) . . .	127
,, 11. Mandates (<i>see</i> paragraph 159)	129
Appendix IV. Speeches delivered by the Delegates of India in the Assembly, and resolutions proposed by Sir William Meyer in Committee No. IV	130
ANNEX 1. Speech delivered by the Right Hon. V. S. Srinivasa Sastri during the general debate on the work of the Council (<i>see</i> paragraph 11)	130
,, 2. Resolution moved by Sir W. Meyer in Committee No. IV, and speech in the Assembly, on the subject of the organisation of the Secretariat (<i>see</i> paragraph 77 and 90)	133
,, 3. Memorandum and resolutions tabled by Sir William Meyer in Committee No. IV, on the subject of the allocation of the expenses of the League (<i>see</i> paragraph 94) . . .	134
,, 4. Speech delivered by Sir William Meyer on the subject of the financial administration of the League (<i>see</i> paragraph 119)	135

APPENDIX I.

List of States represented and of their Delegates. (Many Delegations were also accompanied by Substitute Delegates other than those mentioned in this List and numerous Expert Advisers.)

ALBANIA.—Mgr. Fan S. Noli (Member of Parliament). M. Midbat Frasberi (Member of Parliament, President of the Albanian Delegation in Paris). M. Michel Hil Mosi (Member of Parliament).

Substitute and Secretary-General.—Dr. Penoit Blinishti (Member of the Albanian Ministry of Foreign Affairs).

AUSTRALIA.—Captain Stanley Melbourne Bruce, M.C. (Member of Parliament). Mr. Malcolm Lindsay Shepherd, I.S.O. (Acting High Commissioner in Great Britain).

AUSTRIA.—M. Albert Mensdorff-Pouilly-Dietrichstein (former Ambassador).

Deputy Delegate.—M. Emeric Pflugl (Resident Minister).

BELGIUM.—M. Paul Hymaens (former Minister of Foreign Affairs, Minister of State). M. P. Poulet (former President and Member of the House of Representatives). M. Henri La Fontaine (Vice-President of the Senate, President of the Union of International Associations). M. Henri Rolin (Assistant Legal Adviser at the Ministry of Foreign Affairs).

BOLIVIA.—M. Carlos Victor Aramayo. Dr. Demetrio Canelas.

BRAZIL.—M. Gastao da Cunha (Ambassador at Paris). M. Raoul Fernandes (Member of the Federal House of Representatives). M. Cincinato da Silva Braga (Member of the Federal House of Representatives).

BRITISH EMPIRE.—The Right Hon. A. J. Balfour, O. M., M. P. (President of the Privy Council). The Right Hon. H. A. L. Fisher, M.P. (Minister of Education). The Right Hon. Sir J. Rennell Rodd, G.C.B., G.C.M.G., G.C.V.O.

BULGARIA.—M. Alexandre Stambolisky (Prime Minister, Minister of Foreign Affairs). M. Stephane Panaretoff (Minister Plenipotentiary at Washington). M. Svétoslav Pomenow (Chargé d'Affaires at Berlin).

CANADA.—The Right Hon. Charles Joseph Doherty, M.P. (Minister of Justice). The Hon. Sir George H. Perley, K.C.M.G. (High Commissioner in London).

CHILE.—His Excellency M. Agustin Edwards (Envoy Extraordinary and Minister Plenipotentiary in Great Britain). M. Manuel Rivas-Vienna (Envoy Extraordinary and Minister Plenipotentiary). M. Jorge Valdes-Mandeville (Chargé d'Affaires in Switzerland). Lieut.-Col. Manuel Bülnes (Military Attaché).

CHINA.—Dr. Vikyuin Wellington Koo (Envoy Extraordinary and Minister Plenipotentiary in London, Representative on the Council of the League of Nations). M. Tang Tsai-Fou (Envoy Extraordinary and Minister Plenipotentiary at Rome). Dr. Wang Chung-Hui (President of the Supreme Court of China).

COLOMBIA.—Dr. Francisco José Urrutia (Envoy Extraordinary and Minister Plenipotentiary in Switzerland and Spain). Dr. Antonio José Restrepo (Barrister for the Republic in the Colombo-Venezuelan Arbitration).

COSTA-RICA.—M. Manuel de Peralta (Minister at Paris).

CUBA.—Señor Cosme de la Torriente (Senator, President of the Commission of Foreign Affairs, Member of the Hague Arbitral Tribunal, former Minister Plenipotentiary, former Minister of Foreign Affairs). Dr. Aristides de Agüero y Bethancourt (Minister Plenipotentiary in Germany). Señor Guillermo de Blanck (Minister Plenipotentiary in Switzerland and Holland).

Deputy Delegate and Secretary.—Dr. Miguel Angel Campa (Minister Plenipotentiary in Japan).

CZECHO-SLOVAKIA.—Dr. Edouard Benes (Minister of Foreign Affairs). Dr. Cyrill Dusek (Minister of Czecho-Slovakia in Switzerland). Dr. Stefan Osusky (Minister of Czecho-Slovakia at Paris).

Substitutes.—Dr. Robert Flieder (Chargé d'Affaires in Vienna). M. Pavel Baráček-Jacquier (Councillor of Legation). Dr. Jan Reisser (Councillor of Legation). Dr. Ivan Krno (Councillor of Legation).

DENMARK.—M. Herluf Zahle (Chamberlain, Envoy Extraordinary and Minister Plenipotentiary in Stockholm, Member of the Permanent Court of Arbitration). Dr. Laist Moltzen (Member of Parliament, Doctor of Philosophy). Dr. P. Munch (Member of Parliament, Doctor of Philosophy).

Substitutes.—M. Andréas de Oldenburg (Envoy Extraordinary and Minister Plenipotentiary at Berne). Count Bent Holstein (Member of Parliament, Barrister at the Court of Appeal). M. J. Borgbjerg (Member of Parliament).

FINLAND.—M. Charles Enckell (Minister Plenipotentiary at Paris). M. Rafael Waldemar Erich (Envoy Extraordinary and Minister Plenipotentiary, Professor at the University of Helsingfors, former Prime Minister). M. Emile Einar Book (Director-General of the Department for Social Affairs).

FRANCE.—M. Léon Bourgeois (President of the Senate, French Representative to the Council of the League of Nations). M. René Viviani (Member of the Chamber of Deputies, former Prime Minister). M. Gabriel Hanotaux (Member of the French Academy, former Minister of Foreign Affairs).

Substitutes.—M. Georges Marie Reynald (Senator). M. Georges Noblemaire (Member of the Chamber of Deputies). M. Maurice Sibille (Member of the Chamber of Deputies). M. Jean Hennessy (Member of the Chamber of Deputies).

Deputy Delegate.—M. Richard William Martin (Minister Plenipotentiary).

GREECE.—M. Georges Baltazzi (Minister of Foreign Affairs). M. Démètre Panas (Minister at Bucarest). M. G. Streit (former Minister of Foreign Affairs).

Deputy.—M. Dendramis.

Substitutes.—M. Stélio Seferiades (Professor of International Law). M. Const. Kajandjis (Governor-General of Eastern Macedonia). M. Antoine F. Frangulis (Resident Minister).

HAITI.—M. Dante S. Bellegarde (Minister at Paris).

INDIA.—Sir William Stevenson Meyer, G.C.I.E., K.C.S.I. (High Commissioner for India). His Highness the Maharao of Kutch, G.C.S.I., G.C.I.E. The Right Hon. V. S. Srinivasa Sastri.

ITALY.—M. Vittorio Scialoja (Senator, Professor at the Royal University of Rome). Marquis Guglielmo Imperiali dei Principi di Francavilla (Ambassador, Senator). M. Carlo Schanzer (Vice-President of the State Council, Senator).

Substitutes.—M. Maggiorino Ferraris (Senator, former Minister). Prince Pietro Lanza di Scalea (former Member of the Chamber of Deputies, former Under Secretary of State for Foreign Affairs). Prince Alberto Giovanelli (former Member of the Chamber of Deputies).

JAPAN.—Baron Hayashi (Japanese Ambassador to Great Britain). Viscount K. Ishii (Japanese Ambassador to the French Republic). M. Minéitcîrô Adatci (Japanese Ambassador to Belgium).

Substitutes.—M. S. Tatsuke (Minister in the Netherlands). M. A. Ariyoshi (Minister in Switzerland).

LIBERIA.—Baron Rudolph Auguste Lehmann (Chargé d'Affaires at Paris).

Substitute and Secretary.—M. Nicolas Ooms (Secretary of Legation in France).

LUXEMBURG.—M. Emile Reuter (Minister of State, Prime Minister). M. Antoine Lefort (Councillor of State).

NETHERLANDS.—Jonkheer H. A. van Karnebeek (Minister of Foreign Affairs). Jonkheer R. de Marees van Swinderen (Envoy Extraordinary and Minister Plenipotentiary in London, former Minister of Foreign Affairs). Professor A. A. H. Struycken (Member of the Council of State, Member of the Permanent Court of Arbitration).

Substitutes.—Professor M. W. F. Treub (Member of the Chamber of Deputies, former Minister of Finance, former Minister of Agriculture, Industry and Commerce). Jonkheer W. J. M. van Eysinga (Professor at the University of Leyden).

NEW ZEALAND.—The Right Hon. W. F. Massey, M.P. (Prime Minister). Colonel Sir James Allen, K.C.B. (High Commissioner).

NORWAY.—Dr. Nansen (Professor at the University of Christiania). M. O. Blehr (Prime Minister). M. Christian Michelet (Barrister, Member of Parliament, former Minister of Foreign Affairs).

Substitutes.—Dr. Christian Lous Lange (Secretary-General of the Inter-Parliamentary Union). Dr. Mikael H. Lie (Professor at the University of Christiania). Dr. (Miss) Kristine Bonnevie (Professor at the University of Christiania).

PANAMA.—Dr. Raoul Amador (Chargé d'Affaires at Paris).

PARAGUAY.—Dr. Hector Velázquez (Envoy Extraordinary and Minister Plenipotentiary). M. Montero.

PERSIA.—Prince Arfa-ad-Dovleh (Ambassador, former Minister of Justice). Emir Zoka-ed-Dovleh (Envoy Extraordinary and Minister Plenipotentiary of Persia in Switzerland).

POLAND.—Professor Simon Askenazy. M. Casimir Olszowski (Director at the Ministry of Foreign Affairs). M. Jean de Modzelewski (Minister Plenipotentiary in Switzerland).

PORTUGAL.—M. João de Mello Barreto (Minister for Foreign Affairs). M. Freire d'Andrade (former Minister for Foreign Affairs). M. Antonio Maria Bartholomeu Ferreira (Minister at Berne).

RUMANIA.—M. N. Titulesco (Minister of Finance). Professor Thomas Jonesco (Member of the Chamber of Deputies, Chancellor of the University of Bucarest). Professor Démètre Negulesco (former Member of the Chamber of Deputies, Professor of Law at the University of Bucarest).

Substitute.—Miss Helen Vacaresco.

SERB-CROAT-SLOVENE STATE.—Dr. Miroslav Spalaikovitch (Member of the Chamber of Deputies, former Minister of Foreign Affairs). Dr. Miloutine Yovanovitch (Minister Plenipotentiary at Berne). Professor Miléta Novakovitch (Professor at Belgrade University).

SIAM.—Prince Charoon (Minister at Paris, Representative to the League of Nations). Phya Bibadh Kosha (Minister at Rome, Madrid and Lisbon).

Substitutes and Secretaries.—M. Chune Charavastra (Secretary to the German-Siamese Mixed Arbitral Tribunal). M. T. L. Hoontrakool (Third Secretary to the Legation in Paris).

SOUTH AFRICA.—The Hon. Sir Edgar Harris Walton, K.C.M.G., High Commissioner in London, The Right Hon. Lord Robert Cecil, K.C., M.P. Professor George Gilbert Aimé Murray, M.A., LL.D.

Substitute.—Sir Henry Strakosch.

SPAIN.—Count de Gimeno (Senator, former Minister of Foreign Affairs). M. José Quiñones de León (Ambassador at Paris, Representative on the Council of the League of Nations). M. Emilio de Palacios (Under Secretary of State for Foreign Affairs, Envoy Extraordinary and Minister Plenipotentiary).

Substitutes.—Admiral Marquis Magaz. M. José de Yanguas (Member of the Chamber of Deputies, Professor at the University of Madrid).

SWEDEN.—M. Hjalmar Branting (Member of the Chamber of Deputies, former Prime Minister). M. Trygger (Senator, former Judge of the Supreme Court). M. Lofgren (Former Minister).

Substitutes.—Baron F. Ramel (Minister at Christiania). Madame Anna Bugge-Wicksell (Master of Law). Professor Oesten Unden (former Minister of Justice, Professor at the University of Upsal).

SWITZERLAND.—M. Giuseppe Motta (Federal Councillor, Head of the Federal Political Department). M. Gustave Ador (Former Federal Councillor, President of the International Red Cross Committee). M. Paul Usteri (Member of the Council of States).

Deputy Delegate.—M. Max Huber (Legal Adviser to the Federal Political Department, Professor of International Law at the University of Zurich).

URUGUAY.—M. Juan Carlos Blanco (Envoy Extraordinary and Minister Plenipotentiary at Paris, former Minister of Public Works). M. Pedro Manini Rios (Deputy, former Minister of the Interior, Professor at the Faculty of Law).

VENEZUELA.—Dr. Diogenes Escalante (former Consul-General, former Member of the Chamber of Deputies). Dr. Santiago Key-Ayala (former Adviser of the Ministry of Foreign Affairs). Dr. C. Parra-Perez (Chargé d'Affaires in Switzerland).

STATES NOT MEMBERS OF THE LEAGUE.

*ESTHONIA.—M. Antoine Piip (Minister of Foreign Affairs). M. Charles Robert Pusta (Minister Plenipotentiary at Paris and at Rome).

GEORGIA.—M. Nicolas Tcheidze (President of the Constituent Assembly). M. Constantin Sabakhtarichvili (Under Secretary of State for Foreign Affairs). M. Khariton Chavichvili (former Councillor of the Georgian Legation at Berne).

HUNGARY.—Count Albert Apponyi (former Minister, former speaker of the Chamber of Deputies).

*LATVIA.—M. Voldemar Salnais (Under Secretary of State to the Minister of Foreign Affairs). M. Michael Walters (Minister at Rome). M. Olgerd Grosvald (Minister at Paris).

*LITHUANIA.—M. Ernest Galvanauskas. M. Thomas Naruchevitch. M. O. U. de Milosz.

Substitute Representative.—M. V. Sidzi Kauskas.

APPENDIX II.

Resolutions and Recommendations adopted by the Assembly in the course of its Second Session.

(NOTE.—The numeration and wording which follow are not necessarily those which may be ultimately adopted.)

1. APPOINTMENT OF A COMMITTEE TO CONSIDER MOTIONS SUBMITTED TO THE ASSEMBLY (13th September 1921).

The Assembly resolves that a Committee be appointed to advise the Assembly, should occasion arise, as to the inclusion in the agenda of motions submitted during the session.

2. PERMANENT COURT OF INTERNATIONAL JUSTICE (14th September 1921).

The Assembly, in accordance with Article 7 of the Statute of the Permanent Court of International Justice, and notwithstanding Article 21 of its Rules of Procedure, decides that the candidates whose names are included in the list drawn up by the Secretariat, in accordance with Article 7 of the Statute, shall be eligible for election at any ballot held by the Assembly in the course of the same sitting.

3. ARMENIA (21st September 1921).

Seeing that the First Assembly on 18th November 1920 entrusted the Council with the duty of safeguarding the future of Armenia;

And that the Council on 25th February 1921, while holding that the situation in Asia Minor made action for the time being impossible, entrusted the Secretary-General with the duty of watching developments in Armenian affairs with a view to procuring subsequent decisions by the Council;

And that in the meantime the Supreme Council in the revision of the Treaty of Sèvres, proposed to make provision for a national home for the Armenians;

Seeing, further, the probable imminence of a Peace Treaty between Turkey and the Allied Powers at no distant date;

The Assembly urges the Council to press upon the Supreme Council of the Allies the necessity of making provisions in this Treaty for safeguarding the future of Armenia, and in particular of providing the Armenians with a national home entirely independent of Turkish rule.

4. ORGANISATION OF INTELLECTUAL WORK (21st September 1921).

The Assembly approves the draft resolution put forward by M. Léon Bourgeois in the name of the Council: namely, the nomination by the Council of a Committee to examine international questions regarding intellectual co-operation, this Committee to consist of not more than 12 members, and to contain both men and women.

5. THE CAMPAIGN AGAINST TYPHUS IN EASTERN EUROPE (21st September 1921).

The Assembly resolves that, in view of the economical and successful results achieved by the League of Nations Epidemics Commission in reinforcing the preventive sanitary measures undertaken by the Polish Health Administration in the campaign against typhus, the work of the Commission be continued and extended to other countries as necessity arises, provided the Council considers it expedient.

To this end the President of the Assembly and the President of the Council are requested to issue a special appeal to the Members of the League for liberal financial support, and to ask those States which have not found it possible to make available the contributions which they so generously promised to do so as soon as possible.

6. REPORT OF THE ADVISORY AND TECHNICAL COMMITTEE ON COMMUNICATIONS AND TRANSIT (22nd September 1921).

(1) Without prejudice to the terms of paragraph 4 of section 1 of the Resolution of 9th December 1920, relating to the Organisation for Communications and Transit, the general Conferences on Communications and Transit shall meet as of right at the seat of the League on the request of one-half of the Members of the League. Such request shall be addressed to the Secretary-General of the League, and the object and the agenda of the Conference shall be attached to the request. It shall be the duty of the Secretary-General of the League to convene the Conference.

(2) The Assembly, having been informed of the Report of the Advisory and Technical Committee for Communications and Transit on the action taken by the Governments with regard to the resolutions adopted by the Conference on Passports, Customs' Formalities and "Through Tickets" which was held in Paris, October 1920, observed with the keenest satisfaction that a certain number of States have already put into force part of the measures—so important for international relations, and unanimously recommended by this Conference—tending towards the simplification of formalities connected with the obtaining of passports and visas, the reduction of passport prices, and the unification of passport regulations.

The Assembly draws the attention of all States, which have not yet been able to adopt the recommendations of the Conference, to the necessity of reconsidering the question and of informing the Secretary-General of the League of Nations of the solution ultimately reached.

(3) The Assembly proposes that the Members of the League of Nations should grant to the members of the various Committees of the League, during their period of office, every possible facility in the matter of passports, particularly with regard to the regulations affecting visas and the period of their validity.

(4) The Assembly takes note of the designation by the Advisory and Technical Committee for Communications and Transit of a railway expert (national of a riparian State of the Danube), and invites the Committee to proceed also, in its next session, to the designation of one or more than one other expert, specially qualified in the different matters dealt with by this Committee and nationals of other riparian States of the Danube.

7. RULES OF PROCEDURE OF THE ASSEMBLY (23rd September 1921).

The Assembly resolves that Rule 20 of the Rules of Procedure of the Assembly, as adopted on 14th November 1920, shall be amended to read as follows:—

"The Assembly shall vote by 'Appel Nominal,' except when the Members of the League of Nations represented at the meeting agree that the method of voting shall be by heads of Delegations rising in their seats, and except in the cases provided for in Rule 21. The 'Appel Nominal' shall be taken in one of the following manners as the Assembly may decide:—

(a) The name of each Delegation shall be called, and one of its members shall reply, 'Yes,' 'No,' or 'Not voting.' The result of the vote shall be recorded and announced to the Assembly; or

(b) The Delegation, etc." (as in the second paragraph of Rule 20).

8. DEPORTATION OF WOMEN AND CHILDREN IN TURKEY AND THE NEIGHBOURING COUNTRIES (23rd September 1921).

The Assembly resolves:—

- (1) That there shall be appointed in Constantinople a Commissioner of the League of Nations whose appointment shall be officially notified to the Allied and Associated High Commissioners, to the representatives of the other interested countries and Members of the League, to the Turkish Government and to the ecclesiastical authorities of the deported populations, namely the Greek and Armenian Patriarchs;
- (2) That the League request France, Great Britain and Italy to instruct their High Commissioners to constitute themselves as a Committee, whose duty it will be to concert action with a view to giving all possible assistance and powers to the League of Nations' Commissioner, for the carrying out of his duties;
- (3) That there shall be established, under the Commissioner of the League, a mixed Board to deal with the reclamation of women and children. This Board shall be composed of the present Members of the League of Nations Commission of Enquiry, with power to co-opt, in particular cases, a member of each interested nationality. This Board would look to the Allied Commissioners and to the co-operation of the Greek and Armenian Patriarchs for the necessary support in the carrying out of its decisions. The Assembly emphasises the desirability of encouraging the work of charity already being carried on in the different centres by various establishments;
- (4) That the neutral house for the temporary reception and examination of women and children reclaimed from Turkish houses shall be reorganised and placed under the direct management and supervision of the Commission of Enquiry;
- (5) That further neutral houses may be opened in other centres as circumstances permit.

9. MANDATES (23rd September 1921).

The Assembly, having considered the Report (A. 105, 1921) of 19th September 1921, addressed by the Sub-Committee on Mandates to Committee No. VI and endorsed by that Committee, resolves to approve the terms of that report (*see* Appendix III, Annex 11).

10. DISPUTE BETWEEN LITHUANIA AND POLAND (24th September 1921).

The Assembly, having heard the explanation of M. Hymans on the dispute between Poland and Lithuania, and having taken note of the resolution of the Council of the 20th September, expresses its warm appreciation of the skill and patience displayed by M. Hymans in the cause of peace, and thanks the Council for its action and assures it of the full support of the Assembly.

Appealing to their wisdom and to their common memories of the past, the Assembly calls upon the two peoples to reach an agreement, which is as necessary for them as for the peace of the world.

11. STATUS OF EASTERN GALICIA (27th September 1921).

The Assembly of the League of Nations expresses the wish that the Council of the League draw the attention of the Principal Allied and Associated Powers to the desirability of determining, at an early date, the status of Eastern Galicia.

12. ORGANISATION OF INTERNATIONAL STATISTICS (27th September 1921).

The Assembly :—

- (1) Commends to the Technical Organisations of the League the conclusions of the Provisional Economic and Financial Committee for the purpose of avoiding overlapping in the enquiries undertaken by the various Sections. At the same time it invites the co-operation of the International Labour Office in the matter.

Nothing in this resolution shall prejudice any decision on the organisation of statistical work.

- (2) Decides that statistics in the scientific sense will not be undertaken by the League as long as the question of the organisation of international statistics has not been decided, and that this question is entirely deferred until the next session.
- (3) It is understood that the League of Nations will make use, wherever expedient, of the data obtainable from existing international statistical offices and organisations without affecting in any way their autonomy.

The title of the "Bulletin" published by the League should indicate that it does not contain original statistics, but consists of figures collected from other statistical sources.

13. REPORTS OF THE PROVISIONAL ECONOMIC AND FINANCIAL COMMITTEE (28th September 1921).

Whereas the Assembly has considered :—

- (a) The section of the "Report to the Second Assembly on the work of the Council and on the measures taken to execute the decisions of the First Assembly," which deals with the work of the Provisional Economic and Financial Committee since its entry upon its functions until the session of August-September 1921;
- (b) The Report presented to the Council by the Provisional Economic and Financial Committee upon its work during the session held at Geneva in August-September 1921, which has been communicated to the Assembly by the Council;
- (c) The Report dealing with "Certain Aspects of the Raw Materials Problem,"¹ presented by the Economic Section of the Provisional Economic and Financial Committee in accordance with the Council's Resolution of 27th October 1920, which has also been communicated to the Assembly by the Council:

And has noted with satisfaction the decisions taken by the Council on 19th and 21st September 1921 :—

- (1) The Assembly notes that the constitution of a definite Economic and Financial Advisory Committee, as contemplated by the Resolution of the first Assembly dated 9th December 1920, on the economic organisation of the League, is not imperative during the forthcoming year, in view of the fact that the Provisional Economic and Financial Committee will continue its work till the next Assembly, as provided in the Council's Resolution of 19th September 1921.

¹ See Appendix III (Annex 1).

(2) The Assembly notes that it is of the greatest importance that the Provisional Economic and Financial Committee should carry out the programme of work indicated in the Reports mentioned above, including the study of the following questions: double taxation, the monetary situation, unfair competition, monopolies, *distribution of raw materials*, unification of legislation relating to bills of exchange, commercial methods designed to obviate the risks arising from fluctuations of the exchanges.

(3) *The Assembly notes that the Council has requested the Provisional Economic and Financial Committee to consider the report upon the meaning and scope of the provision relating to the equitable treatment of commerce contained in Article 23 (e) of the Covenant. Taking account of the wishes formulated by the Conference of Barcelona, the Assembly expresses the confident hope that the Committee will direct and pursue its work, in co-operation with the Advisory and Technical Committee on Communications and Transit, in the manner best calculated to facilitate the earliest and most general application possible of the principle in question.*

(4) *The Assembly notes that the Council, with the advice of the Provisional Economic and Financial Committee, will entertain any application that may be received from States which feel the need of technical advisers on financial or economic administration.*

(5) The Assembly agrees that it *will probably not be necessary* to convoke at an early date a general Conference for the study of the principal financial and economic questions; it approves the proposal whereby the Council, if it considers it desirable, may, with the advice of the Provisional Economic and Financial Committee, convoke *restricted* consultative conferences for the examination of special problems.

(6) The Assembly regrets that the work of the reconstruction of the finances of Austria in which the Provisional Economic and Financial Committee has been called upon to co-operate has been delayed for reasons which it hopes will shortly be removed.

(7) *The Assembly, having had brought to its notice the continuing gravity of the exchange crisis and its dangerous effects upon the economic position and the conditions of labour of the working classes, invites the Provisional Economic and Financial Committee to carry on urgently its enquiries from various Governments as to the measures taken to ensure the application of the Resolutions of the Brussels Conference; the Assembly further invites the Committee to investigate, in accordance with the Governments' suggestions and as speedily as may be, all practical proposals which may be made for the completest possible application of these Resolutions.*

In particular, the Assembly agrees to the proposal that the work of organising the International Credits Scheme should be pursued in the manner set out in the Report submitted by the Provisional Economic and Financial Committee to the Council.

The Committee is further invited to consider, as a matter of urgency, the measures necessary for the adaptation of the system of international credits to the various situations of different countries.

(8) The Assembly commends to the consideration of the Members of the League the general conclusions of the Report on Certain Aspects of the Raw Materials Problem, including those calling attention to the effects that may be produced on the economic life of other countries by artificial restrictions and duties on the export of essential raw materials.

(9) The Assembly, recognising the intimate connection between the restoration of transport facilities and the supply and distribution of raw materials, expresses the earnest hope that every effort will be made to expedite the work of the various Commissions charged with such matters as re-allocation and interchange of rolling-stock in certain parts of Europe.

(10) The Assembly invites the Advisory and Technical Committee on Communications and Transit to consider the desirability of action being taken, under the provision which empowers the Council to call partial or regional Conferences to consider special matters, with a view to promoting the improvement of facilities for intercommunication and transport between those States whose transport systems have specially suffered from disorganisation.

14. TRAFFIC IN WOMEN AND CHILDREN (29th September 1921).

The Assembly, having taken into consideration the Final Act of the Conference of Geneva on Traffic in Women and Children, approved by the Council, expresses the wish that those of its provisions which require conventional form, be adopted in that form by the Members of the League with the least possible delay. For this purpose the Assembly recommends that the Delegates who have the necessary full powers to sign the Draft Convention annexed,¹ should sign it without delay, and that those who do not yet possess them be invited to communicate immediately with their respective Governments in order to obtain the necessary powers to sign.

15. TRAFFIC IN OPIUM (30th September 1921).

I. The Assembly concurs in paragraphs 1, 2, 4 and 5 of the Resolution adopted by the Council on 28th June 1921² as follows:—

(1) That States which are Members of the League and have not signed or ratified the International Opium Convention be invited to do so as soon as possible.

¹ See Appendix III (Annex 10).

² See Appendix III (Annex 9).

(2) That the Netherlands Government be requested to continue its efforts to secure ratification of the International Opium Convention by those States which are not Members of the League.

(3) (Paragraph 4 of the Resolution of the Council.) That, in order to carry out the obligations under Articles 3 and 5 and under Article 13 of the International Opium Convention, the Governments which are parties to the Convention be invited to adopt the following procedure:—

“Every application for the export to an importer of a supply of any of the substances to which the Convention applies shall be accompanied by a certificate from the Government of the importing country that the import of the consignment in question is approved by that Government and is required for legitimate purposes.

In the case of drugs to which Chapter III of the Convention applies, the certificate shall state specifically that they are required solely for medicinal or scientific purposes.”

(4) (Paragraph 5 of the Resolution of the Council.) That the special attention of the Contracting Powers having Treaties with China be invited to the provisions of Article 15 of the International Opium Convention, so that the most effective steps possible should be taken to prevent the contraband trade in opium and other dangerous drugs.

II. The Assembly confirms the second recommendation passed by the Advisory Committee on Traffic in Opium during its session of 2nd-5th May 1921, as follows:—

(5) That a report should be made annually to the League by each country which is a party to the Convention, on the execution in its territory of the provisions of the Convention, with statistics of production, manufacture and trade.

III. The Assembly adopts the following additional recommendations presented by its Fifth Committee:—

(6) The Assembly concurs in paragraph 3 of the Council's Resolution of 28th June 1921, on the understanding that the enquiries undertaken will be of a scientific character and that, when they apply specifically to any particular country, they will be made through, or with the consent of, the Government of that country.

(7) The Assembly recommends to the Council that, in paragraph 5 of the latter's resolution dated 28th June 1921, it should also draw the attention of the Government of China to Article 15 of the International Opium Convention.

(8) The Assembly recommends to the Council that the enquiry referred to in paragraph 7 of the latter's resolution dated 28th June 1921 should be extended to include all opium the consumption of which may be considered legitimate, and that to this end the word “strictly” be omitted, and the word “legitimate” be substituted for “medicinal and scientific.” It further recommends to the Council the omission of the reference to prepared opium, that is to say, to opium prepared for purposes of smoking, the complete suppression of which is provided for in Chapter II of the Convention.

(9) The Assembly recommends to the Council that the different Governments be invited, where they see no objection, to furnish to the Secretariat, in addition to the official annual report, any information concerning the illicit production, manufacture or trade in opium, or other dangerous drugs which they think likely to be useful to the League in the execution of its task.

(10) The Assembly recommends the Council to consider whether all nations specially concerned in either the growth or manufacture of opium or other dangerous drugs should not be represented on its Advisory Committee.

(11) The Assembly urges those States Members of the League¹ which have not yet signed and ratified the Opium Convention to do so as soon as possible.

(12) In order to facilitate the execution of the Convention, the Assembly urges all States Members of the League which are parties to the Convention to signify to the Secretariat as soon as possible their acceptance of the fourth recommendation of the Advisory Committee relating to the requirement of importation certificates.

¹The following Members of the League have not yet ratified the Opium Convention of 1912 nor signed the Protocol of 1914:—

Albania.	Esthonia.	Paraguay.
Argentine.	Finland.	Persia.
Chile.	Latvia.	Salvador.
Colombia	Lithuania.	Switzerland.
Costa Rica.		

The following have ratified the Convention, but not signed the Protocol of 1914:—

Denmark.

Venezuela.

(13) The Assembly recommends the Council to request the Advisory Committee to extend their investigations to include not only the drugs mentioned in the Convention of 1912, but also all dangerous drugs of whatever origin which produce similar effects, and to advise as to the desirability of convoking a further international conference of States which are parties to the Convention, as well as States Members of the League of Nations, with a view to drawing up a Convention for the suppression of the abuse of such drugs.

16. RELIEF WORK IN RUSSIA (30th September 1921).

After having heard the Report of its Committee and the statement by Dr. Nansen—to whose activity and devotion it is happy to pay tribute—and after having taken note of the generous appeal of His Holiness Pope Benedict XV, on behalf of the famine-stricken regions of Russia, the Assembly of the League of Nations adopts the following Resolutions:—

1. The Assembly considers it an urgent necessity to combat the famine in Russia; it further considers that all efforts should be encouraged which, like the Geneva Conference, aim at alleviating this scourge.

The Assembly addresses a pressing appeal to private organisations in order that the efficacy of the common endeavour may be assured by a close co-ordination of all the efforts devoted to this cause.

The Assembly further expresses a desire that the Governments of all countries may interest themselves in the efforts of their national associations and should grant them, to the greatest possible extent, such material and moral support as they may need.

2. The Assembly considers that relief work should be extended to include all the regions of former Russia which are visited by famine, without forgetting the populations of the territories of the Republics of Armenia, Georgia and Azerbaidjan.

3. The Assembly has not sufficient information as to the influences by which the Soviet Government are moved or the conditions under which they are working, but it considers that Dr. Nansen's successful repatriation of prisoners of war augurs well for any enterprise he may be prepared to undertake for the relief of famine-stricken regions in Armenia, Azerbaidjan, Georgia and Russia.

4. In view of the statements made by members of the Committee on behalf of their Governments to the effect that these Governments do not think that under present circumstances they can grant official credits, the Assembly is of opinion that this fact settles for the time being this side of the matter, and disengages the possible responsibility of the League of Nations.

Nevertheless, the League does not disinterest itself in so grave a problem and in the efforts which are being made to solve it. It will rest with the Council of the League to take up the question, should circumstances so demand, and should it consider that its intervention could prove both useful and effective.

5. The Assembly notes that an International Conference has been summoned to meet at Brussels on 6th October in order to consider the problem of the famine raging in Russia, and the means of remedying it by the concerted action of Governments and private associations.

The Assembly expresses the hope that the authorised representatives of the Governments may consider the most expedient means of coping with the financial difficulties of this problem. Amongst the forms of relief which the Governments might afford, the Assembly would urge the importance of gifts in kind from the liquidation of war stocks.

6. The Assembly considers that the Committee of the League of Nations formed to combat epidemics should be invited to co-operate with the associations which have undertaken the campaign against infectious diseases in Russia and the Caucasus.

7. The President of the Assembly is requested to transmit to His Holiness Pope Benedict XV a copy of resolutions mentioned above in the hope that he may find therein a proof of the profound appreciation with which the League of Nations received the message in which His Holiness begged to draw the attention of the representatives of the Governments assembled in Geneva to the unhappy plight of the famine-stricken areas in Russia and the urgency of alleviating and rendering them assistance.

The Assembly takes this opportunity of expressing to His Holiness its warmest gratitude for so generous an action, which manifests once again the anxiety with which His Holiness ever proceeds in the alleviation of all suffering.

17. ADMISSION OF HUNGARY TO THE LEAGUE (30th September 1921).

The Assembly of the League of Nations, having noted a letter dated 26th September 1921, sent by the Head of the Hungarian Delegation in the name of his Government, and requesting the Assembly to be good enough to postpone its decision on the request for the admission of Hungary and all procedure relative thereto, to its next session, resolves to accede to this request and to place the question of the admission of Hungary into the League on the agenda of its next session.

18. ORGANISATION OF THE PERMANENT SECRETARIAT AND OF THE INTERNATIONAL LABOUR OFFICE (1st October 1921).

The Assembly, having taken note of the Report of the Fourth Committee, approves the views there set forth and expresses its gratitude to M. Noblemaire and his colleagues of the Committee of Experts for their arduous and most useful work (*see* Appendix III, Annex 4).

19. REDUCTION OF ARMAMENTS (1st October 1921).

The Assembly thanks Mr. Branting, Chairman of the Third Committee, and the Rapporteur, Lord Robert Cecil, for their valuable work. It is convinced of the urgent necessity of passing beyond the stage of the enunciation of principles and of proceeding to carry them into practical effect. The Assembly, therefore, approves the report and the following resolutions submitted by the Third Committee with reference to the reduction of armaments:—

1. That it is desirable that the Temporary Mixed Commission should be asked to continue the work which it has begun.

2. That the Temporary Mixed Commission be asked to make proposals on general lines for the reduction of national armaments which, in order to secure precision, should be in the form of a draft treaty or other equally definite plan, to be presented to the Council, if possible, before the Assembly next year.

In order to enable the Temporary Mixed Commission to accomplish this task, the Council should be asked to strengthen the Temporary Mixed Commission.

3. That a statistical investigation be made with regard to the armaments of the various countries upon the lines indicated in the body of the Report of the Third Committee.

4. That the Temporary Mixed Commission be requested to continue the examination of the question of the private manufacture of armaments and the trade in arms.

5. That the Council be requested to invite all the Members of the League and interested States which are not Members of the League to take part in an International Conference on the private manufacture of arms and the trade in arms, which should meet as soon as possible at a date to be fixed under the responsibility of the Council. It is considered highly desirable that this date should be prior to the next session of the Assembly.

The Temporary Mixed Commission should be entrusted with the task of preparing the programme of the Conference, and of submitting to it a draft Convention.

6. That the urgent importance of ratifying the Convention at the earliest possible moment be strongly impressed on all the States signatories to the Arms Traffic Convention of St. Germain, whether Members of the League of Nations or not, and that at the same time all non-signatory States be invited to adhere to the Convention.

The Assembly expresses its earnest desire that the importance of this subject may be strongly urged at the forthcoming Conference on Disarmament at Washington.

7. The Assembly, taking note of the view expressed in the Report of the Temporary Mixed Commission on the Reduction of Armaments with regard to the desirability of making provision for excluding the import of arms and ammunition in time of peace from countries in which the traffic is uncontrolled, invites the Council to prepare a draft protocol for this purpose for the consideration of the various Governments. At the same time it expresses the earnest hope that this procedure will not in any way be permitted to delay the general ratification of the Convention of St. Germain.

The steps that may eventually have to be taken for the destruction of the surplus stocks of munitions may be considered by the Temporary Mixed Commission.

8. That, subject to the conditions set out in the recommendation of the First Assembly, the recommendation that Members of the League should undertake not to exceed for the next two financial years following the present year the sum total of expenditure on military, naval and air forces provided for in the budget of that year, be again forwarded to all Members of the League, together with a statement showing the replies already received to this recommendation.

9. That the Temporary Mixed Commission be asked to examine—in consultation with the Permanent Advisory Commission—whether it is advisable to address an appeal to the scientific men of the world to publish their discoveries in poison gas and similar subjects, so as to minimise the likelihood of their being used in any future war.

10. That it is desirable that propaganda in favour of the reduction of armaments, as contemplated in the Covenant, should be carried out with earnestness and conviction among all nations.

11. In pursuance of the Third Resolution of the First Assembly, the Assembly is of opinion that the Secretariat should be asked to complete the organisation of the Section of the Secretariat dealing with the question of the reduction of armaments, and that this Section should have a directorship of its own, or other equivalent official organisation, quite separate from and, if necessary, in addition to, those already proposed by the Fourth Committee of the Assembly.

20. ALBANIA (3rd October 1921).

1. The Assembly, having considered the appeal of Albania to the Assembly, dated 29th June 1921, and the reference by the Council to the Assembly of the allegation by Albania against the Serb-Croat-Slovene State, dated 2nd September 1921 :

Recognising the sovereignty and independence of Albania as established by her admission to the League :

Taking note of the fact that the Serb-Croat-Slovene State and Greece have recognised the Principal Allied and Associated Powers as the appropriate body to settle the frontiers of Albania :

Understanding that the Principal Allied and Associated Powers are very near agreement on the question submitted to them :

Recommends Albania now to accept the forthcoming decision of the Principal Allied and Associated Powers.

2. The Assembly, further, taking note of the allegations of Albania against nationals of the Serb-Croat-Slovene State and of the allegations of the Serb-Croat-Slovene State against certain tribes and individuals in Albania :

Taking note also of statements made that there is serious unrest in Southern Albania and Northern Epirus :

Requests the Council forthwith to appoint a Commission of three impartial persons, to proceed immediately to Albania and to report fully on the execution of the decision of the Principal Allied and Associated Powers, as soon as it is given, and on any disturbances which may occur on or near the frontier of Albania. The Commission should have power to appoint observers or other officials being impartial persons to enable it to discharge its functions.

3. In order to provide for the carrying out of the above decision, the Secretary-General is instructed to include the sum of 100,000 gold francs in the budget of the League for the fourth fiscal period (1922), it being understood, however, that, before any of the said appropriation be expended, a detailed estimate shall be submitted to the Council of the League and shall be approved by it.

21. FINANCIAL ADMINISTRATION OF THE LEAGUE (4th October 1921).

Recommendation I.

The Assembly of the League of Nations requests the Council to continue to regulate the finances of the League of Nations in the spirit of the principles contained in the Assembly Recommendation of 17th December 1920, as modified by the following Articles, and by the recommendations laid down in the Report of the Fourth Committee on the administration of the finances of the League of Nations.¹ Further, the Assembly requests the Council to prepare for the annual session of the Assembly of 1922, a final resolution regarding the administration of the finances of the League of Nations.

Article 1.—The Assembly recommends the Council to appoint a Committee of Control of three or five members, one of whom at least shall be a financial expert. The Council shall select the Committee from amongst the Members of the League of Nations, in such a way as to include Members of the League which are not represented on the Council.

Draft budgets and other documents contemplated in Articles 1 and 2 of the Recommendation adopted on 17th December 1920 shall be submitted to the Committee of Control before being submitted to the Council. The Draft Budget of the International Labour Organisation shall be laid before the Committee of Control by four members of the Governing Body, two of whom might be selected from the delegates of Governments, one from employers' delegates and one from the workers' delegates. The Governing Body shall decide whether the Director or Deputy Director of the International Labour Office shall be added to the Delegation.

A representative of the Governing Body shall be authorised to attend, in an advisory capacity, any meetings of the Assembly that deal with the Budget. It is, of course, understood that the representative in question cannot rise to speak except on the invitation of the President.

The Appropriation Officers, whether members of the Secretariat or of the International Labour Office, shall be responsible to the Committee of Control.

Article 2.—Article 6 of Recommendation II, adopted by the First Assembly on 17th December 1920, shall read as follows :—

“Expenditure can only be incurred by virtue of a warrant signed by the Secretary-General or one of his deputies duly authorised thereto. This warrant shall mention the fiscal period and the appropriation to which the expenditure is charged, and cannot be given until the official appointed for the purpose (Appropriation Officer) has certified that the proposed expenditure is represented in the Budget by a corresponding credit. Unforeseen expenditure, however, can only be incurred under Article 25 of the general budget for 1922 if it is authorised by a special Resolution of the Council, which must be immediately communicated to all the

¹See Appendix III (Annex 8).

Members of the League of Nations. During the year 1922 transfers from one item to another of the same chapter can be effected by virtue of a special Resolution of the Council, which must be immediately communicated to all the Members of the League of Nations."

Article 3.—The following sentence shall be added to Article 7 of Recommendation II, adopted by the First Assembly:—

"Additions to this fund, which may not exceed 5,000,000 gold francs, cannot be made except with the approval of the Assembly. If the fund exceeds 5,000,000 gold francs, the excess shall be carried forward to the credit of the next financial period. The International Labour Organisation may continue to obtain, if necessary, assistance from the Working Capital Fund proportionately to its budget."

Article 4.—Insert in Article 9, of Recommendation II, adopted by the First Assembly, after the word "auditors," "and to the Committee of Control."

Article 5.—Article 10 of Recommendation II, adopted by the First Assembly, shall read as follows:—

"Three months before the annual session of the Assembly, the Committee of Control and the auditors shall present to the Council, or in the case of the International Labour Organisation, to the Governing Body, a joint report on the correctness, etc."

Recommendation II.

The Resolution of the Council of 2nd September 1921, authorising the Secretary-General to request the States which are not Members of the League of Nations, but which form part of the technical organisations of the League, to pay their share of the expenses of the technical organisations in which they participate, from the beginning of the fourth financial year of the League (1922), should be incorporated in the final regulations of the financial administration of the League.

Resolution I.

In virtue of Article 12 of the Recommendation II of the First Assembly on the administration of the finances of the League of Nations, the Assembly of the League of Nations finally passes the expenditure and income accounts for the second fiscal period, terminating on 31st December 1920.

Resolution II.

The Assembly of the League of Nations, in accordance with Article 4 of Recommendation II, adopted by the First Assembly, on the administration of the finances of the League of Nations accepts for the fiscal period 1922 the General Budget of the League and the Budget of the International Labour Office, which will be published in the *Official Journal*.

22. THE ECONOMIC WEAPON (4th October 1921).

The Assembly adopts the following resolutions:—

1. Subject to the special provisions of Article 17, the economic measures referred to in Article 16 shall be applicable only in the specific case referred to in this Article.

2. The unilateral action of the defaulting State cannot create a state of war; it merely entitles the other Members of the League to resort to acts of war or to declare themselves in a state of war with the Covenant-breaking State; but it is in accordance with the spirit of the Covenant that the League of Nations should attempt, at least at the outset, to avoid war, and to restore peace by economic pressure.

3. It is the duty of each Member of the League to decide for itself whether a breach of the Covenant has been committed. The fulfilment of their duties under Article 16 is required from Members of the League by the express terms of the Covenant, and they cannot neglect them without breach of their Treaty obligations.

4. All cases of breach of Covenant under Article 16 shall be referred to the Council as a matter of urgency at the request of any Member of the League. Further, if a breach of Covenant be committed, or if there arise a danger of such breach being committed, the Secretary-General shall at once give notice thereof to all the Members of the Council. Upon receipt of such a request by a Member of the League, or of such a notice by the Secretary-General, the Council will meet as soon as possible. The Council shall summon representatives of the parties to the conflict and of all States which are neighbours of the defaulting State, or which normally maintain close economic relations with it, or whose co-operation would be especially valuable for the application of Article 16.

5. If the Council is of opinion that a State has been guilty of a breach of Covenant, the Minutes of the meeting at which that opinion is arrived at shall be immediately sent to all Members of the League, accompanied by a statement of reasons and by an invitation to take action according. The fullest publicity shall be given to this decision.

6. For the purpose of assisting it to enforce Article 16, the Council may, if it thinks fit, be assisted by a *technical* Committee. This Committee will remain in permanent session as soon as the action decided on is taken, and may include, if desirable, representatives of the States specially affected.

7. The Council should fix the date on which the enforcement of economic pressure under Article 16 is to be begun, and should give notice of that date to all the Members of the League.

8. All States must be treated alike as regards the application of the measures of economic pressure, with the following reservations :—

- (a) It may be necessary to recommend the execution of special measures by certain States ;
- (b) If it is thought desirable to postpone, wholly or partially, in the case of certain States, the effective application of the economic sanctions laid down in Article 16, such postponement shall not be permitted except in so far as it is desirable for the success of the common plan of action, or reduces to a minimum the losses and embarrassments which may be entailed in the case of certain Members of the League by the application of the sanctions.

9. It is not possible to decide beforehand, and in detail, the various measures of an economic, commercial and financial nature to be taken in each case where economic pressure is to be applied.

When the case arises, the Council shall recommend to the Members of the League a plan for joint action.

10. The interruption of diplomatic relations shall, in the first place, be limited to the withdrawal of the heads of Missions.

11. Consular relations may possibly be maintained.

12. For the purposes of the severance of relations between persons belonging to the Covenant-breaking State and persons belonging to other States Members of the League, the test should be residence and not nationality.

13. In cases of prolonged application of economic pressure, measures of increasing stringency may be taken. The cutting off of the food supplies of the civil population of the defaulting State shall be regarded as an extremely drastic measure which shall only be applied if the other measures available are clearly inadequate.

14. Correspondence and all other methods of communication shall be subjected to special regulations.

15. Humanitarian relations shall be continued.

16. Efforts shall be made to arrive at arrangements which will ensure the co-operation of States non-members of the League in the measures to be taken.

17. In special circumstances and in support of economic measures to be taken it may become advisable : (a) to establish an effective blockade of the seaboard of the Covenant-breaking State ; (b) to entrust to some Members of the League the execution of the blockade operations.

18. The Council shall urge upon all the States Members of the League that their Governments should take the necessary preparatory measures, above all of a legislative character, to enable them to enforce at short notice the necessary measures of economic pressure.

II.

The Assembly resolves that :

1. The latter part of the first paragraph of Article 16 of the Covenant shall read as follows :—

“ . . . which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between persons residing in their territory and persons residing in the territory of the Covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between persons residing in the territory of the Covenant-breaking State and persons residing in the territory of any other State, whether a Member of the League or not.”

2. The second paragraph of Article 16 shall read as follows :—

“ It is for the Council to give an opinion whether or not a breach of the Covenant has taken place. In deliberations on this question in the Council, the votes of Members of the League alleged to have resorted to war and of Members against whom such action was directed shall not be counted.”

3. The third paragraph of Article 16 shall read as follows :—

“ The Council will notify to all Members of the League the date which it recommends for the application of the economic pressure under this Article.”

4. The fourth paragraph of Article 16 shall read as follows :—

“ Nevertheless, the Council may, in the case of particular Members, postpone the coming into force of any of these measures for a specified period where it is satisfied that such a postponement will facilitate the attainment of the object of the measures referred to in the preceding paragraph, or that it is necessary in order to minimise the loss and inconvenience which will be caused to such Members.”

III.

The resolutions and the proposals for amendments to Article 16 which have been adopted by the Assembly shall, so long as the amendments have not been put in force in the form required by the Covenant, constitute rules for guidance which the Assembly recommends, as a provisional measure, to the Council and to the Members of the League in connection with the application of Article 16.

23. CONDITIONS OF VOTING ON, AND RATIFICATION OF AMENDMENTS TO THE COVENANT (3rd October 1921).

1. *Recommendation.*—In order immediately to meet the objections expressed by certain Delegates with regard to the procedure permitting the Assembly to vote amendments by a majority, the Assembly recommends to the Delegations that no resolution of amendment shall be passed during this session unless it receives a three-fourths majority, in which there shall be included the votes of all the Members of the Council represented at the meeting.

2. *Procedure.*—The Assembly considers that it is most desirable that the vote on the proposed amendment to Article 26 shall be unanimous, in order that this vote may have all the authority that can be wished.

3. *Resolution of Amendment to Article 26.*—Article 26 of the Covenant shall read as follows :—

“ Amendments to the present Covenant, the text of which shall have been voted by the Assembly by a three-fourths majority, in which there shall be included the votes of all the Members of the Council represented at the meeting, will take effect when ratified by the Members of the League whose representatives composed the Council when the vote was taken, and by the majority of those whose representatives form the Assembly.

If the required number of ratifications shall not have been obtained within 22 months after the vote of the Assembly, the proposed amendment shall remain without effect.

The Secretary-General shall inform the Members of the taking effect of an amendment.

Any Member of the League which has not at that time ratified the amendment is free to notify the Secretary-General within a year of its refusal to accept it, but in that case it shall cease to be a Member of the League.”

Form to be given to the Resolutions on Amendments.

The following conclusions of the Committee were adopted unanimously without discussion :—

The First Committee has considered the form which should be given to resolutions of amendments adopted by the Assembly.

A large number of Members expressed the opinion that such resolutions in no way formed a draft convention, the product of a diplomatic conference, to which the representatives of the States would have to attach their signatures.

It seemed to them rather the outcome of deliberation on the part of the Assembly acting as an autonomous body in virtue of the competence conferred upon it by the Covenant.

According to this view, it is the Assembly's resolution which is subject to ratification by the States and not the signatures of their representatives. Moreover, the latter may not have voted in favour of the amendment ratified by the State which they represent. It would therefore seem sufficient that every resolution of amendment be drawn up in the form of an act by the Assembly, signed by the President and the Secretary-General.

But certain members of the Committee pointed out that such a procedure would violate the constitutional law of their States and would also conflict with diplomatic usage.

The Committee considered that, to avoid any difficulty on this point, it was desirable that the amendments should take the form of protocols, embodying the resolutions of amendment voted by the Assembly, signed by the President and the Secretary-General and also open to signature by plenipotentiaries. The Committee therefore proposes the form of protocol which is appended.

Draft Protocol to an Amendment.

Protocol to an Amendment to Article of the Covenant.

The Second Assembly of the League of Nations, under the Presidency of M. H. A. van Karnebeek, assisted by Sir Eric Drummond, Secretary-General, adopted at its meeting of the following resolution, being an amendment to Article of the Covenant.

[Here follows the Resolution.]

The undersigned, being duly authorised, declare that they accept, on behalf of the Members of the League, which they represent, the above amendment.

The present protocol will remain open for signature by the Members of the League: it will be ratified and the ratifications will be deposited as soon as possible with the Secretariat of the League.

It will come into force in accordance with the provisions of Article 26 of the Covenant:

A certified copy of the present protocol will be transmitted by the Secretary-General to all Members of the League.

Done at Geneva, on in a single copy, of which the French and English texts are both authentic and which will be kept in the archives of the Secretariat of the League.

(Signed) President of the Second Assembly.
Secretary-General.

For _____

For _____

24. PROPOSED AMENDMENT OF ARTICLE 18 (5th October 1921).

The Assembly, taking note of the proposal for the amendment of Article 18 contained in the Report of the First Committee, decides to adjourn further consideration of this amendment until the Third Assembly.

25. PROPOSED AMENDMENT TO ARTICLE 1 OF THE COVENANT (5th October 1921).

The Assembly of the League of Nations, having noted the Amendment to Article 1 of the Covenant proposed by the Argentine Delegation on 4th December 1920: While appreciating the high motives which inspired the Argentine Republic in proposing this amendment:

Resolves that, in view of the regrettable absence of the Delegation of the Argentine Republic, and until the principle contained in its proposal can be accepted, any decision on the amendment moved by the Argentine Republic be postponed.

26. SITUATION OF SMALL STATES (5th October 1921).

The Assembly of the League of Nations, having considered the report of its First Committee which had been requested to consider whether, and in what manner, it would be possible to attach to the League of Nations sovereign States which, by reason of their small size, could not be admitted as ordinary members:

Decides that in view of the difficulty of laying down in advance the conditions for the admission of these States, the different situations of which might necessitate different conditions; and in view of the possibility of associating immediately, to a great extent, the interested States in the work of the Assembly, without giving them membership, it is preferable to await the results of experience in this collaboration, before expressing an opinion upon the methods by which they might be admitted to the League.

27. AMENDMENTS TO ARTICLES 12 AND 15 OF THE COVENANT PROPOSED BY THE NORWEGIAN AND SWEDISH GOVERNMENTS (5th October 1921).

The Assembly of the League of Nations, having noted the amendments to Articles 12 and 15 of the Covenant proposed by the Norwegian and Swedish Governments introducing an obligation for all the Members of the League to establish permanent commissions of arbitration and conciliation, in such a manner that there would be one for

each State, for the investigation of disputes between that Member and each of the other Members :

Decides :

(1) Not to adopt the amendments to Articles 12 and 15 proposed by the Norwegian and Swedish Governments.

(2) To express its approval of the procedure of conciliation in conformity with the spirit of the Covenant.

(3) To invite the Council to appoint a Committee for the purpose of investigating the procedure of conciliation as outlined in the amendments put forward by the Norwegian and Swedish Governments, with a view to the formulation of a body of rules on the subject. That Committee would submit its report to the Council at a date which would enable the latter to present its conclusions at the next session of the Assembly.

28. PROPOSALS REGARDING ARTICLE 21 OF THE COVENANT (4th October 1921).

The Assembly of the League of Nations, having taken into consideration the report of its First Committee on the amendments to Article 21 of the Covenant proposed by the Governments of China and Czecho-Slovakia :

Decides that Article 21 shall be retained in its present form. And takes note of the view expressed by the Committee that agreements between Members of the League tending to define or complete the engagements contained in the Covenant for the maintenance of peace or the promotion of international co-operation, may be regarded as of a nature likely to contribute to the progress of the League in the path of practical realisations.

Such agreements may also be negotiated under the auspices of the League of Nations, for example, in special conferences, with its assistance.

29. PROPOSAL REGARDING ARTICLE 10 OF THE COVENANT (4th October 1921).

Whereas a motion has been submitted by the Canadian Delegation for the striking out of Article 10 of the Covenant :

Whereas widely different opinions have been expressed with regard to the legal bearing of this Article and its relationship to the other Articles of the Covenant, specially to Articles 12 to 17 :

And whereas the legal and political arguments made, both in favour of, and against the striking out of Article 10 are of great weight :

The Assembly postpones the continuation of the examination of the proposal and the decision until its next session, and recommends that this proposal be decided before any other amendment.

30. ALLOCATION OF EXPENSES OF THE LEAGUE (5th October 1921).

I.—*Resolutions of amendments to Article 6 of the Covenant.*

The Assembly resolves :—

“(1) That the last paragraph of Article 6 of the Covenant shall be replaced by the following paragraph :—

“The expenses of the League shall be borne by the Members of the League in the proportion decided by the Assembly.”

“(2) That the following paragraph shall be added to Article 6 of the Covenant as amended :—

“The allocation of the expenses of the League set out on Annex 3 shall be applied as from 1st January 1922, until a revised allocation has come into force after adoption by the Assembly.”

“(3) That the following shall be inserted in the Annex to the Covenant :—

III.—*Allocation of the Expenses of the League.*

State.	Units Payable.	State.	Units Payable.	State	Units Payable.	State	Units Payable.
Albania . . .	2	Costa Rica . . .	2	Japan . . .	65	Poland . . .	15
Argentina . . .	35	Cuba . . .	10	Latvia . . .	5	Portugal . . .	10
Australia . . .	15	Czecho-Slovakia . . .	35	Libetia . . .	2	Salvador . . .	2
Austria . . .	2	Denmark . . .	10	Lithuania . . .	5	Roumania . . .	35
Belgium . . .	15	Estonia . . .	5	Luxemburg . . .	2	Serb-Croat-Slovene	35
Bolivia . . .	5	Finland . . .	5	Netherlands . . .	15	State.	
Brazil . . .	35	France . . .	90	New Zealand . . .	10	Siam . . .	10
British Empire . . .	90	Greece . . .	10	Nicaragua . . .	2	South Africa . . .	15
Bulgaria . . .	10	Guatemala . . .	2	Norway . . .	10	Spain . . .	35
Canada . . .	35	Haiti . . .	5	Panama . . .	2	Sweden . . .	15
Chile . . .	15	Honduras . . .	2	Paraguay . . .	2	Switzerland . . .	10
China . . .	65	India . . .	65	Peru . . .	10	Uruguay . . .	10
Colombia . . .	10	Italy . . .	65	Persia . . .	10	Venezuela . . .	5

II.—*Recommendation 1.*

"The Assembly recommends that, when a revised scheme of allocation of the expenses of the League has been adopted after consideration of the fresh recommendations of the Expert Committee, Members of the League which may, with effect from 1st January 1921, and up to the year for which the revised scheme is adopted, have paid more than they are called upon to pay under the operation of such scheme, should be entitled to a refund of the excess amount paid.

"Such refunds shall be made as surplus funds accrue and without prejudice to the maintenance of the working capital account of the League at its full normal figure."

Recommendation 2.

The Assembly, recognising that the proposals of the Expert Committee (A. 40, 1921) are still susceptible of improvements and adjustments after a more exhaustive investigation of the data, recommends that this Committee, so ably presided over by M. Reveilland, be re-appointed by the Council to continue its work and, after taking account of the various factors not yet fully examined, to submit a further report indicating such modifications of the allocation provisionally accepted as it may deem equitable.

III.—*Resolution.*

In order to provide for the carrying out of the above decision, the Secretary-General is instructed to include the sum of 15,000 gold francs in the Budget of the League for the fourth fiscal period (1922), it being understood, however, that, before any of the said appropriation be expended, a detailed estimate shall be submitted to the Council of the League and shall be approved by it.

IV.—*Recommendation.*

The Assembly recommends the Council to see that the Committee charged with preparing a final scheme for the allocation of expenses shall present this table to the Assembly of 1923.

V.—*Resolution.*

The Assembly resolves that the following paragraph shall be added to Article IV of the Rules of Procedure of the Assembly:—

"No proposal for a modification of the allocation of expenses for the time being in force shall be inserted in the Agenda, unless it has been communicated to members at least four months before the date fixed for the opening of the session."

31. AMENDMENT TO THE RULES OF PROCEDURE (5th October 1921).

The Assembly resolves—

That the following provision shall be added to the second paragraph of Rule 14 of the Rules of Procedure of the Assembly:—

"Resolutions involving expenditure shall not, however, be voted by the Assembly before the Financial Committee has expressed its opinion on the advisability of the proposed expenditure with regard to general budgetary resources."

32. ELECTION OF THE NON-PERMANENT MEMBERS OF THE COUNCIL (6th October 1921).

1. The Assembly takes note of the conclusions of its First Committee:—

- (a) That the non-permanent Members of the Council should in future be elected according to a system of rotation for a fixed period, and that the Assembly should this year renew for the year 1922 the appointment of the present Members.
- (b) That, in the absence of any decision with regard to the number of the non-permanent members of the Council, it is inexpedient to lay down precise rulings, in consideration of the fact that at the election held next year account will be taken, both as regards the determination of the entire period of office for each member, and as regards the conditions of re-eligibility, of the period already spent in office as the result of previous elections.

II.—*Resolution of Amendment to Article 4.*

The Assembly resolves that the following paragraph shall be inserted between the second and third paragraphs of Article 4:—

"The Assembly shall fix by a two-thirds majority the rules dealing with the election of the non-permanent Members of the Council, and particularly such regulations as relate to their term of office and the conditions of re-eligibility."

33. COMMITTEE ON AMENDMENTS TO THE COVENANT (5th October 1921).⁷

The Assembly, highly appreciating the work of the Committee on Amendments, which, under the able chairmanship of Mr. Balfour, has done the preparatory work for the proceedings of the First Committee, agrees that the Council can further refer to the consideration of this Committee the draft amendments which have been adjourned, also the proposed amendments which may be submitted to the next Assembly.

34. PROPOSED AMENDMENTS TO ARTICLE 3 OF THE COVENANT (4th October 1921).

The Assembly takes note that, in view of the considerations brought forward in the report of the Committee on Amendments and in the report of the First Committee of the Assembly, the Danish, Norwegian and Swedish Governments withdraw their proposed amendments to Article 3 of the Covenant.

35. PROPOSED AMENDMENTS TO ARTICLE 13 OF THE COVENANT (4th October 1921).

The Assembly, having considered the report of its First Committee on the amendments to Article 13 of the Covenant proposed by the Danish, Norwegian and Swedish Governments, decides that these amendments be not adopted.

36. ARTICLE 5 OF THE COVENANT. DEROGATIONS FROM THE PRINCIPLE OF UNANIMITY (5th October 1921).

The Assembly adopts the report of its First Committee on the amendments to Article 5 of the Covenant proposed by the Colombian and Netherlands Governments, and takes note that the Colombian and Netherlands Governments withdraw these proposed amendments.

37. HEALTH ORGANISATION (23rd September 1921).

The Assembly notes the measures taken by the Council to carry out so far as possible the Resolution of the first Assembly dated 10th December 1920, concerning the Health Organisation of the League of Nations.

In pursuance of the Covenant of the League of Nations and in order to facilitate the discharge by the League of the humanitarian duties and responsibilities which are placed upon it by the various treaties of peace and its own Resolutions, and pending the possibility of creating the Health Organisation contemplated by the Resolution of 10th December 1920, the Assembly of the League of Nations adopts in the following form the resolutions submitted to it by the Council:—

1. The Health Organisation of the League shall provisionally comprise a Health Committee which shall be entrusted with the functions detailed in the report of the Provisional Health Committee as adopted by the Council. The Secretariat of this Organisation shall be appointed by the Secretary-General of the League and be responsible to him, and shall be placed under a Medical Director.

The Assembly, in view of the urgency of the present international health situation, and, subject to consideration of a report to be submitted at the next session of the Assembly, accepts the constitution of the Provisional Health Committee proposed by the Council. But this decision is without prejudice to the power of the Assembly, admitted last year, to regulate the constitution of important Standing Committees of the League.

In view of the increasing importance of questions of health which more especially concern women, the Assembly invites the Council to take into consideration at an opportune moment the question of strengthening the Committee by including a medical woman, experienced in public health matters, qualified to advise on such questions.

2. The Epidemic Commission of the League of Nations shall form one section of the Health Organisation.

38. AMENDMENT TO ARTICLE 12 OF THE COVENANT (4th October 1921).

The Assembly resolves that Article 12 of the Covenant shall be amended to read as follows:—

“Article 12.—The members of the League agree that, if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or judicial settlement or to enquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the judicial decision, or the report by the Council.

“In any case under this Article the award of the arbitrators or the judicial decision shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.”

39. AMENDMENT TO ARTICLE 13 OF THE COVENANT (4th October 1921).

The Assembly resolves that Article 13 of the Covenant shall be amended to read as follows:—

“The Members of the League agree that, whenever any dispute shall arise between them which they recognise to be suitable for submission to arbitration *or judicial settlement*, and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject-matter to arbitration *or judicial settlement*.”

“Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which, if established, would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration *or judicial settlement*.”

“For the consideration of any such dispute, the court to which the case is referred shall be the Permanent Court of International Justice, established in accordance with Article 14, or any tribunal agreed on by the parties to the dispute or stipulated in any convention existing between them.”

“The Members of the League agree that they will carry out in full good faith any award or decision that may be rendered, and that they will not resort to war against a Member of the League which complies therewith. In the event of any failure to carry out such an award or decision, the Council shall propose what steps should be taken to give effect thereto.”

40. AMENDMENT TO ARTICLE 15 OF THE COVENANT (4th October 1921).

The Assembly resolves that the first paragraph of Article 15 of the Covenant shall be amended to read as follows:—

“If there should arise between Members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration *or judicial settlement* in accordance with Article 13, the Members of the League agree that they will submit the matter to the Council. Any party to the dispute may effect such submission by giving notice of the existence of the dispute to the Secretary-General, who will make all necessary arrangements for a full investigation and consideration thereof.”

41. GREATER PUBLICITY FOR THE PROCEEDINGS OF THE COUNCIL (16th September 1921).

The Assembly welcomes the efforts which the Council has made to secure greater publicity for its proceedings, and hopes that still further progress in that direction may be possible in the near future.

42. ESPERANTO AS AN INTERNATIONAL LANGUAGE (15th September 1921).

The Assembly, having noted a motion submitted by Lord Robert Cecil and signed by certain other delegates recommending the universal teaching of Esperanto in schools as an auxiliary international language;

Adopts the report of the Committee appointed to examine the propositions submitted to the Assembly, the conclusions of which are as follows:—

“The Committee are of opinion that this question, in which an ever increasing number of great States are interested, should be attentively studied before it can be dealt with by the Assembly. The question was referred to a Committee last year and a short report was submitted recommending that the Secretariat of the League should investigate the experiments already made, and ascertain the actual results attained.

“The Committee proposes that the question should be placed on the Agenda of the next Assembly and that the Secretariat of the League should in the meantime prepare a complete report, accompanied by the necessary documentation on the lines indicated in the draft resolution.

“In accordance with the wishes of the signatories, the report of Committee No. 2, dated 17th December 1920, and the report of the Under Secretary-General upon his mission to the Congress at Prague, will be transmitted to the Members of the League in due course.”

APPENDIX III.

Reports of Committees of the Assembly and other connected Documents.

ANNEX 1.—*Report to the Council on certain aspects of the Raw Materials Problem by the Economic Section of the Provisional Economic and Financial Committee. (Communicated to the Assembly in accordance with the Council's Resolution dated the 21st September 1921.)*

By Resolution of the Council, dated 27th October 1920, the Economic Section of the Economic and Financial Committee were directed to make an enquiry and report, the nature and scope of which were defined by the Resolution in the following terms:—

"The Council has fully considered the difficulties experienced by numerous countries in assuring the import of raw materials essential to their welfare and even to their existence, and has requested the Economic Section of the Economic and Financial Committee to study:—

"(a) The extent and nature of these requirements;

"(b) The causes of these difficulties (other than those arising from lack of credit or fluctuation in the rate of exchange, which have already been considered by the Brussels Financial Conference); the effects of the existence of monopolies will be very specially considered.

"The Council invites the Committee to submit to it at the earliest possible moment a report on the results of its enquiry, a report which is indispensable for the further deliberations of the International Economic and Financial Conference."

The Economic Section at once endeavoured to obtain from the Governments of the various States, Members of the League, and also from certain important non-Members, the necessary data to enable them to furnish a report of the nature desired by the Council. In particular we sought information as to the existing and pre-war statistical position as regards certain specified raw materials and the estimated requirements of each country with regard to each of these materials during the ensuing year. We also made specific enquiries as to the effect of monopolies in causing difficulties of supply, and also as to the legislative régime prevailing in each of the countries with respect to restrictions on export and import, and the powers, if any, possessed by the various Governments or Courts of Justice to restrain abuses arising from monopolistic action. Such replies as have been received to these enquiries have been carefully examined, and the results so obtained have been supplemented by a mass of valuable material furnished to us by the Secretariat based partly on an examination of documents the collection of which it had entrusted to experts, and partly on personal investigation carried out in certain countries. These supplementary enquiries were carried out by Professor Gini, and the Economic Section desire to express their great indebtedness to Professor Gini and his collaborators for the very valuable assistance which they have given to them in the prosecution of their enquiry.*

The Economic Section interpret the intention of the Council to be that their enquiry should refer primarily to the abnormal conditions prevalent at or about the time when the Council's Resolution was passed. It is obvious that a detailed economic investigation of the requirements of all countries in respect of raw materials and of the factors which might cause difficulties in the supply or demand of such materials under every conceivable condition would be a task of enormous magnitude, which would occupy much time and which could lead to no immediate practical result.

We have, therefore, in the first place endeavoured to ascertain the position at the beginning of 1921. It is, however, matter of common knowledge that since that date the whole economic situation of the world has been revolutionised. Putting aside difficulties of credit and exchange, which are expressly excluded from our reference, the outstanding factor as regards raw materials is no longer the difficulty experienced by consuming countries in securing supplies, but the difficulty experienced by producing countries in finding outlets for their products.

The deficiency of supplies, which was the dominant feature of the period when the régime of control and restrictions prevailed, was followed by a deficiency of demand at the time when that régime came to an end. The return of freedom has, in fact, contributed to the fall of prices, which, in the case of several important raw materials, have returned to the level of the prices of 1914, expressed in dollars. Moreover, congestion of markets with products manufactured at too high a cost, and the collapse of consumption owing to the excessive prices and the general financial crisis, has caused producers to reduce their output at the very time when the supply and prices of raw materials have themselves tended to return to the normal. Thus a picture based on the situation at the beginning of the present year has no longer any resemblance to the situation with which the world is at present

* The portions of Professor Gini's general report which relate to the matters discussed in the present Report, together with the statistical statements on cotton, wool, coal, fertilisers, etc., prepared under Professor Gini's direction, will be published at an early date.

confronted, and, indeed, the interval between the sending out of our questionnaires and the receipt of the replies has been sufficient in many cases to make the results obsolete before they have been received.

In fact, though our investigation has been conducted as expeditiously as practicable, events have moved even faster than our enquiries, with the result that much of the material collected has lost its significance except for the purpose of an historical survey.

The rapid changes in the economic situation to which we have called attention have been partly responsible for the fact that we have been unable to obtain any authoritative estimates of the immediate requirements of the various States as regards essential raw materials. At a time when production has generally slackened, and is carried on with continual variations caused by the fluctuations in the market prices of raw materials, and the irregular demand due to the continual diminution and hesitating character of consumption, most official statisticians would be unwilling to hazard a conjecture on this subject, and, in fact, no reply has been forthcoming to the questions we have asked with a view to enabling us to fulfil paragraph (a) of our reference. Neither the enquiries conducted by the Economic Section, nor those which were entrusted to Professor Ullrich, have succeeded, owing to the prevailing conditions, in obtaining the data necessary to fill the blanks. On the other hand, no indication has been obtained of the existence, in any country about which we have obtained precise information, of an urgent need of raw materials which is in danger of remaining unsatisfied, at least through any deficiency of products. If, on the one hand, no State has been able to define by a figure its immediate wants, no State, on the other hand, has informed us that it has experienced any difficulties in supplying itself with any product owing to its scarcity. The statistical measurement of requirements being therefore impracticable under existing conditions, and no demand having been formulated for meeting these requirements, our task has consisted in collecting a mass of interesting statistical data, with regard to the pre-war, war, and post-war situation as regards the production, consumption, import and export of certain typical raw materials, including cotton, wool, seed, iron, mineral oil, fertilisers and cereals. But it is our duty to state clearly that no study of these data will in existing circumstances enable a reply to be furnished to paragraph (a) of our Reference.

Turning to paragraph (b) of our Reference, the first point to which we would direct attention is its limitation. We do not in any way complain of the reservation of questions of credit and exchange, which, as stated in the Council's resolution, had already been dealt with by the Brussels Financial Conference, and with which, if any second investigation were thought necessary, the Financial rather than the Economic Section of the Committee would be fitted to deal. But it is necessary to point out that, according to all the information which has reached us, any difficulties still experienced at the present time in obtaining supplies of essential materials are to a preponderant extent difficulties of credit and exchange.

In these circumstances we have considered carefully how we could best give practical assistance to the Council in attaining the objects at which it aimed when it entrusted us with the present enquiry. We conceive that these objects were practical rather than theoretic or historical, that they looked to the future rather than to the past, and that the aim was to promote the rehabilitation of countries suffering from the effects of the war rather than to institute a kind of litigation between States or to pass judgments on the motives and results of the respective policies adopted by them under stress of war and post-war conditions.

Some general acquaintance with what has taken place in the past is of course necessary for the purpose of throwing light on what may possibly recur in the future, but it has seemed to us unnecessary and inexpedient to adopt a course of enquiry which would have necessitated calling and sifting the evidence of numerous witnesses representing Governments and official and private organisations and persons, which, while unduly prolonging our enquiry and increasing its expense, could, we think, yield no fruitful result.

As a necessary consequence of this decision, we refrain in this report and in any supplementary memoranda which we may publish from expressing any but the most general opinions on the character of the war and post-war measures adopted by various countries.

Broadly speaking, the difficulties which were noted last year and which led to the Council's resolution were the result on the one hand of a real scarcity, general or local, in the supplies of raw materials as well as of a breakdown, no less real, in the transport system, and on the other hand, of a number of war or post-war measures tending to reserve certain raw materials wholly or in part to the countries of production, and also to limit and regulate their exportation so that their distribution was often artificial and their prices were usually abnormal. Whether owing to a deficiency of certain raw materials or to a legitimate apprehension that such a deficiency would arise, most producing and even consuming States created an artificial system as regards the quantities reserved or available for export, and even in certain cases as regards the internal and external prices. This was the régime which characterised the situation which the Council had to meet.

The sudden interruption of this artificial system, or the continual maintenance of certain hindrances, in spite of the market having been freed as regards the bulk of products, must be included among the important factors which still prejudice the supply of raw materials.

It must, however, be observed that the branches of the problem which the Council has excluded from our consideration, *viz.*, difficulties of credit and exchange, still remain unsolved. Difficulties of credit are at bottom symptoms and results of the devastating effects of the war in reducing the purchasing capacity and impairing the economic position of certain States. Difficulties of exchange may, however, be regarded as an independent cause of difficulty, since they spring primarily not from under-production of goods but from over-production of currency. The above brief statement of the nature of the disease appears to point to the general nature of the remedies to be considered.

(1) In the first place, it is true now as at the date when the present enquiry was launched that although the symptoms of the disease are different, the fundamental remedy is the systematic readjustment of production to meet post-war conditions. The exaggerated demand for certain raw materials and half-manufactured products during the war created a certain disproportion between production and actual requirements. Constant and scientific observation is therefore necessary in order to adjust the production of raw materials to the future requirements of the world, when the industries artificially created during the war have been subjected to the operation of natural selection and when consumption has returned to the normal. So much has been said and written on this subject that we do not feel that we can usefully add anything new, especially as important aspects of the problem (*e.g.*, limitation of hours or output) belong rather to the sphere of the International Labour Office than of our Committee.

(2) Only second in importance to the above is the restoration and improvement of transport facilities. In order to ensure the adequate supply of each country it is clearly necessary that the materials should not only be produced in adequate quantities at a reasonable cost, but that there should be sufficient means of transporting them without unreasonable delay or cost to the markets where they are required. In this respect the situation has greatly changed since the enquiry was undertaken. Maritime transport is no longer hindered by scarcity or congestion of shipping; indeed, the position has so changed that large quantities of shipping are laid up for want of goods to carry. Simultaneously (as we understand from the Transit and Communications Section, to which the subject appertains) there has been a considerable though much slower improvement as regards transport over those parts of the European railway system which were disorganised by the war. We do not propose in this report to give a detailed description of the European transport situation, parts of which were so grievously affected not only by the material destruction of the war, but also by the difficulties of allocation and repair of rolling-stock, and by the dismemberment of railway systems formerly worked as single units owing to the territorial changes under the Peace Treaties.

We wish, however, to express an earnest hope that every effort will be made to overcome the difficulties experienced by the various Commissions charged with such matters as the re-allocation and interchange of rolling-stock. We note that special provision is made in the constitution of the Technical Organisation of the League of Nations dealing with Communications and Transit for the calling of partial or regional Conferences to consider special matters. We venture to suggest to the Council that the Advisory and Technical Committee on Communications and Transit might be authorised to consider the desirability of the League taking the initiative at an appropriate moment, under the above provision, to promote the improvement of the facilities for intercommunication and transport between States whose transport systems have specially suffered from disorganisation.

(3) We next turn to the question of commercial restrictions as a factor in creating difficulties of supply of raw materials. We refer in particular to the restrictions or duties on the export of essential raw materials which formed an important feature of war policy, and which in many cases were continued during the period immediately following the armistice. These restrictions were of a kind which varied according to the countries and circumstances. We may summarise their development as follows. In the course of the war, in order to secure for themselves priority as regards their own resources or in some cases even to ensure their just distribution in accordance with the general interest at the time, certain countries took possession of all or part of their output of one or more raw materials. The forms which this reservation took were sometimes requisition, sometimes prohibition of export. The methods of allocation were either a system of licensing or of rationing. Whatever was the method adopted, the reservation thus effected exercised an influence on the price of the product. The exportable surplus, whether it was free for export or subject to a general or individual licence, represented a supply limited in relation to the actual demand. Sometimes, also, an export duty or differential export price increased the difference between the price prevailing in the producing country and the price to the foreign consumer. Sometimes, indeed, it was the foreign purchaser on whom export premium. It is conceivable that measures of reservation justified in general by the needs or by the anxiety to secure supplies adequate to the needs of the producing country may have sometimes been transformed into fiscal measures or into measures of economic discrimination.

The artificial régime thus established could not in some cases be suddenly abandoned without intermediate stages intended for the progressive re-establishment of normal conditions. Until decreasing prices. But this artificial system has sometimes been as inconvenient as the sudden return to freedom,

Recent developments of raw materials policy have some lessons for the future.

There is no question of challenging the incontestable right which States have to dispose freely of their natural resources or of the output of their countries in respect of raw materials. It is legitimate that in exceptional circumstances they should be anxious to reserve them to themselves, and that they should have the power to subject them at any time to a régime in conformity with their natural economy.

But it is not less incontestable that raw materials produced by one country, being in many cases essential to the economic life of other States, should not, unless in exceptional cases, be the object of restrictions or of differential regulations of such a nature as to injure the production of such States, or to impose on them a systematic inferiority.

It is undesirable, particularly, that measures of restriction taken by producing countries to meet exceptional situations should be so prolonged or altered as to change their character, and from being acts of precaution or defence to degenerate into measures of economic aggression.

Doubtless as a general principle the tariff policy of States is one of their sovereign rights, and there are no doubt circumstances in which export duties or other restrictions may be necessary, *e.g.*, in cases where other sources of revenue are lacking, or where they are an indispensable element in the economic system. Nevertheless, it is undesirable as a matter of principle to employ measures of this kind under normal conditions as weapons of economic warfare.

This consideration is of importance since, in accordance with the law of economic interdependence, measures of differentiation produce reactions throughout the raw-materials market; measures of reservation taken by a producing country influence the demand on other producing countries where the normal conditions of supply and of prices are equally affected.

What we wish to do, without attempting to lay down any hard and fast rule, is to recommend caution in this matter, and in particular to invite the attention of the Members of the League to the broader aspects of the question as affecting international economic relations. It is not only measures of restriction or prohibition, including duties on export, which may entail grave consequences in this matter, but every artificial system which involves the risk of disorganising production, whether by its establishment or by its abolition.

(4) The effect of monopolies was particularly specified in our reference as a subject for enquiry, and accordingly in our questionnaire we specially invited the observations of each Government "with regard to the prejudice, if any, caused at the present time to the supply of the reasonable requirements of the population in respect of any essential commodity by the operation of any monopoly or combination relating to manufacture, sale, import, or export, either within or outside the country."

None of the replies received, however, included any observations in reply to this question, and the supplementary enquiries that have been made have not so far produced sufficient evidence to enable us to establish any direct connection between the operations of monopolies, and any of the difficulties of supply of raw materials which we were directed to investigate. In view, however, of the great importance of this branch of the subject, we propose to make further enquiries, particularly with the object of completing our information with regard to the legal and administrative means already available in each country for combating and controlling the action of monopolies when exercised in a manner contrary to the public interest. We hope to make a further report to the Council on this part of the subject.

(5) We have not hitherto made any mention of a scheme for the organisation of the supply of raw materials by means of an International Office, which has attracted considerable public attention, though it was not mentioned in our terms of reference, nor has any definite proposal for the purpose been submitted to us for examination. We have, however, had our attention called to the matter by a communication from the International Labour Office, enclosing a resolution adopted by the Miners' International Congress in March 1920, in favour of the establishment of an International Office "for the distribution of fuel, ores, and other raw materials essential to the renewal of the normal economic life of all nations."

While realising strongly the difficulties which the scheme is intended to solve, we are convinced that it is impracticable on the following grounds:—

(a) It would, in our opinion, be impracticable to obtain the general consent of the producing and consuming States to delegate the important functions contemplated by the scheme to an International body, and the League of Nations has no power of compelling its Members to enter into any such arrangement against their will.

(b) No scheme for the international control of the distribution of raw materials could be operated without fixing prices and allocating supplies on some principle of rationing. In our opinion, this necessarily involves the international control of the whole internal economic life of the countries concerned.

(c) No scheme of rationing is possible without the power of compelling the consuming countries to take up their rations and to pay for them, which is clearly impracticable under present conditions.

(d) There is no criterion by which an International Office could fix a reasonable ration of any raw material to be allowed to any country, except either on the basis of previous consumption (which would stereotype the existing distribution of industry) or on some arbitrary estimate of needs, which would empower the International Office to dictate the lines of future industrial development of all the States of the League.

(e) If all the above objections could be overcome the mere loss to productive industry from the inevitable inefficient operation of the bureaucratic machinery of the International Office would probably be fatal to the scheme.

(6) The next group of possible remedies, *viz.*, those designed to improve international credit and to rehabilitate exchanges, are expressly excluded from our reference, and the only point, therefore to which we venture to call attention in this connection is the possibility which has been suggested to us by Professor Gini as the result of his visit to certain countries whose finances have been disorganised by the war, that great assistance might be given by the League of Nations in the work of reconstructing the financial and economic position of those countries, if the Council were willing on the application of the Governments of such countries to nominate competent expert advisers, who could advise the Governments on such matters as currency, exchange, and financial and economic policy generally. The Economic Section, while alive to the practical difficulties involved in such a proposal, consider that it is one which merits the careful attention of the Council.

It would be necessary, of course, to take great care in the selection of the advisers, and to come to an understanding with the Government in question as to the conditions of their engagement. It will probably be found that the extent and value of the services which an adviser will be able to render will depend mainly on his personality, but it is essential to safeguard his position and independence by a suitable contract. It has been represented to us that some countries which would be unwilling, on grounds of prestige, to apply for advisers to particular Governments, may be willing and anxious to utilise the services of an international and impartial body like the League of Nations for this purpose, and in view of the fact that the financial administration of certain States is, at the present very critical time, in the hands of relatively inexperienced officers, we venture to think that an experiment in the direction indicated may be fruitful in good results. We may add that we do not propose that the League should incur any financial or other responsibility beyond the careful selection of the nominees. Should the Council see no objection to this proposal in principle, we suggest that it should be remitted to the Financial Section of our Committee to work out a detailed scheme. If in the meantime, as is possible, any definite application should be received by the Council for the nomination of a technical adviser for any of the States in question, we recommend that it should be sympathetically considered.

ANNEX 2.—*Report of the Third Committee to the Assembly concerning The Reduction of Armaments.*

The question of reduction of armaments was considered at the First Assembly, and it arrived at three resolutions and one recommendation on the subject. The third resolution, which was in some respects the most important, ran as follows :—

“The Committee, being convinced that the maintenance of peace demands the reduction of armaments, in accordance with the principles set forth in Article 8 of the Covenant and in the preamble of Part V of the Treaties of Peace of Versailles, Saint-Germain, and Neuilly, which declare that the disarmament of certain Powers signatory to those Treaties be provided for ‘in order to render possible the initiation of a general limitation of the armaments of all nations’ ;

“And associating itself with the pronouncement of the Supreme Council on 8th March last ‘that, in order to diminish the economic difficulties of Europe, armies should everywhere be reduced to a peace footing, that armaments should be limited to the lowest possible figure compatible with national security, and that the League of Nations be invited to examine proposals to that end without delay’ ;

“And with the Resolution of the International Financial Conference at Brussels, ‘recommending most earnestly to the Council of the League of Nations the desirability of conferring at once, and agreeing with, the several Governments concerned, with a view to securing a general reduction of the crushing burdens which, on their existing scale, armaments still impose on the impoverished peoples of the world, sapping their resources and imperilling their recovery from the ravages of war’ ;

“Realising, on the other hand, that a complete and comprehensive scheme of disarmament depends upon the following conditions : first, under the responsibility of the Powers signatory to the Treaties of Peace, upon the complete fulfilment of the reduction of armaments imposed by the abovementioned Treaties upon certain of these Powers : secondly, upon the exercise, as occasion may demand, of the right of investigation accorded by these Treaties to the Council of the League of Nations, in order to maintain this reduction ; and, lastly, on the collaboration of the other great military Powers which have hitherto remained outside the League :

"Invite the Council :—

- "(a) To request the Permanent Advisory Commission for Military, Naval and Air Questions rapidly to complete its technical examination into the present condition of armaments ;
- "(b) To instruct a temporary Commission, composed of persons possessing the requisite competence in matters of a political, social and economic nature, to prepare for submission to the Council in the near future reports and proposals for the reduction of armaments as provided for by Article 8 of the Covenant ;
- "(c) To form within the Secretariat a section to serve as a centre of information for the Commission in question, and also as a channel for the publication and exchange of the information referred to in the Covenant ;
- "(d) To consider the mechanism by means of which the military information to be exchanged under the provisions of Article 8 of the Covenant can be verified in the event of the principle of mutual verification by Members of the League being confirmed by an amendment to the Covenant."

The action taken by the Council in pursuance of the definite proposals here made will be found in the report to the Second Assembly on the work of the Council at pages 75 to 81. It will be noticed that as to proposal (a) no practical result has been achieved. The Permanent Advisory Commission drew up a questionnaire on the subject, but the Council decided it was not desirable to send it out. It is now proposed that the matter should, to some extent, be dealt with in a different way. As to proposal (b) a good deal has been done. The Temporary Commission has been appointed as set out on pages 74 and 75 of the above-mentioned report. Unfortunately, owing to reasons into which it is not necessary now to enter, the Temporary Commission did not meet until 16th July of this year, and has consequently only been able to hold some five meetings, which has necessarily restricted the work it has been able to do. Still, even so, there is much that is valuable in its report. An examination of that document will show that the Commission has made certain recommendations which have been examined by this Committee, and they have dealt with them under the following heads :—

I—Statistics.

The Committee took note of the resolution adopted by the First Assembly in accordance with which the Assembly, while recognising that the *final and general limitation* of armaments is subordinate to certain preliminary conditions, expressed the wish that the first steps towards disarmament should be taken without delay.

One of the preliminary conditions is the ascertainment of the present military strength of the various States, and, consequently, it is necessary to carry out a statistical investigation which would bring into clear relief the ante-bellum and the present position of armaments. To this should be added such information of a military and budgetary nature as will allow of an accurate estimate being formed of the military power of the various States and of the measures which they may have already adopted for the reduction of their armaments. Nor must the position of each State from the point of view of its national security be overlooked.

The Committee therefore proposes :—

- (a) That a statistical investigation should be carried out with regard to the armaments of the various countries for the years 1913 and 1921. The enquiry should bring out the facts indicated in the programme drawn up by the Temporary Mixed Commission in pages 7 and 8 of its report to the Council.
- (b) That with regard to the method to be followed, a beginning should be made by gathering all possible information to be obtained from international treaties, official publications, parliamentary papers and debates, year books and other public sources of information ; but that, if need be, the enquiry should be completed, as far as the Members of the League of Nations are concerned, by means of a questionnaire based upon the programme which has been approved.
- (c) That the Governments should be asked to furnish to the Secretariat of the League of Nations :—
 - (1) The military, naval and air budgets for the years 1913 and 1921 ;
 - (2) The general budget for all the Ministries for the years 1913 and 1921 ;
 - (3) The reports and minutes of parliamentary debates relative to military, naval and air estimates in 1913 and 1921, and, in general all legislative documents and other publications which throw light on the military policy of each State ;
 - (4) The text of the laws determining the organisation of the land and sea forces.
- (d) That, as soon as possible, each of the Governments should be asked to furnish a statement of the considerations it may wish to urge in regard to the requirements of its national security, its international obligations, its geographical situation and its special circumstances.

The Governments should be especially requested to indicate separately the police and military forces which they consider indispensable for the preservation of domestic order, and the expenditure entailed thereby.

- (e) That the responsibility for carrying out these resolutions should be left to the Secretariat, under the direction of the Temporary Commission and of the Council, and that the Secretariat should be enabled to deal as rapidly as possible with the work of summarising and co-ordinating the statistical data and the documents sent to it, and should be enabled also, in case of need, to call upon the co-operation of competent correspondents in the various countries chosen by the Armaments Section under the supervision of the Temporary Commission.

The Secretariat should be authorised to publish from time to time, with the consent of its Temporary Mixed Commission and of the Council, reports on the partial results of the investigation, without waiting till the results of the statistical enquiry have been fully co-ordinated.

- (f) That once the enquiry has been carried out for the years 1913 and 1921, the Council should be responsible for keeping it up to date for the succeeding years and for having it put into execution by competent bodies.

These resolutions in effect accept the recommendations on the points made by the Temporary Commission. In one point, however, they go further. The proposal that the Governments should make specific returns of what they require for the preservation of domestic order is based on the consideration that with these forces the League of Nations is not directly concerned. Their size and strength are primarily a domestic matter, and do not in themselves affect the international situation. The rest of the forces of each State is for the purpose of combating foreign foes, and it is this portion of the forces which it is the duty of the League of Nations to reduce. It is of great importance that the peoples of the world should be made aware how much of the money and personnel devoted to armaments is the direct consequence of international fear and suspicion, by reason of the relativity of their respective state of safety. It is only by a realisation of this truth that an effective appeal can be made to the reason and conscience of mankind in favour of a serious reduction of armaments.

II—*Private Manufacture of and Trade in Arms.*

The next point in the Temporary Commission's report dealt with by the Committee was that concerning private manufacture of armaments and trade in arms.

These matters are to a certain extent dealt with together by the Temporary Commission, and they are no doubt very closely related, since it is evident that the control over the trade in arms would make a very material difference in the question of their manufacture. Still they are separate questions, and may well have to be dealt with by separate international action. The position of the private manufacture of arms under the Covenant is that it is recognised to involve evil consequences which are not defined, and that the Members of the League are to agree to find a remedy for them. It is obvious that there are two stages necessary before the evils can be dealt with. They must first be examined and their nature ascertained; proposals for dealing with them can then be made.

The Committee were therefore of opinion :—

- (1) That the Temporary Commission, aided by the Secretariat, should continue its investigations into the whole subject; and
- (2) That the Assembly should request the Council to invite all the Members of the League and interested States which are not Members of the League to take part in an International Conference on the Private Manufacture of Arms and the Trade in Arms, so far as it has not been dealt with earlier, which should meet as soon as possible at a date to be fixed under the responsibility of the Council. It is considered highly desirable that this date should be prior to the next session of the Assembly.

The Temporary Mixed Commission should be entrusted with the task of preparing the programme of the Conference and of submitting to it a draft Convention.

Some members of the Committee were anxious that a date should be fixed before which the Conference should be held, but the majority were of opinion that to fix a date might be productive of serious practical inconvenience, and that it was enough to express the view that it was desirable that the Conference should be held before the next Assembly.

III—*Arms Traffic.*

It will be noticed in the last quoted resolution that the Committee recommend that the Conference should also consider the question of the trade in arms, and indeed it is vitally necessary that some control over the export and import of munitions of war should be established and in particular that full information as to the extent and nature of this trade should be given to the League of Nations, and should be published. The Committee are of opinion

that this question should be dealt with in a separate Convention concluded at the Conference which considers the private manufacture of arms so far as it has not been dealt with earlier.

Further, the Committee had before them the first Resolution of the First Assembly, calling attention to the position with regard to the Convention of St. Germain on the traffic in arms, as well as the report of the Temporary Commission on the subject, and they arrived at the following resolutions :—

“1. The Assembly is of opinion that the control of the international traffic in arms and ammunition is an essential preliminary to any effective supervision of armaments, and that no international agreement for this purpose can attain the desired object so long as there remain important countries in which the arms traffic is not subjected to control. The Assembly therefore strongly impresses on all the States signatories to the Arms Traffic Convention of St. Germain, whether Members of the League of Nations or not, the urgent importance of ratifying the Convention at the earliest possible moment ; and, at the same time it invites all non-signatory States to adhere to the Convention.

“2. The Assembly expresses its earnest desire that the importance of this subject may be strongly urged at the forthcoming Conference on Reduction of Armaments at Washington.

“3. The Assembly, taking note of the view expressed in the report of the Temporary Mixed Commission on the Reduction of Armaments with regard to the desirability of making provision for excluding the import of arms and ammunition in time of peace from countries in which the traffic is uncontrolled, invites the Council to prepare a draft protocol for this purpose for the consideration of the various Governments. At the same time it expresses the earnest hope that this procedure will not in any way be permitted to delay the general ratification of the Convention of St. Germain.”

They are further of opinion that some steps should be taken to deal with the large stock of surplus munitions of war at present existing in the world. They are a very serious danger to peace, and it is not too much to say that much of the fighting which is at present going on in the world would not be taking place had the sale of these surplus stocks been more effectively controlled.

The two subjects are closely connected, and as part of their proposals for dealing with the trade in arms, as distinct from the St. Germain Convention on the traffic in arms, the Temporary Commission should also consider what steps can be taken to secure the destruction of existing surplus stocks of munitions.

The report of the Temporary Commission deals also with certain other subjects notably the recommendation of the First Assembly that :—

“Pending the full execution of the measures for the reduction of armaments recommended by Article 8 of the Covenant, the Assembly recommends the Council to submit for the consideration of the Governments the acceptance of an undertaking not to exceed for the first two financial years following the next financial year, the sum total of expenditure of the naval, military and air services provided for in the latter budget, subject, however, to account being taken of the following reservations :—

“(1) Any contributions of troops, war material and money recommended by the League of Nations, with a view to the fulfilment of obligations imposed by Article 16 of the Covenant or by treaties registered by the League.

“(2) Exceptional conditions notified as such to the Council of the League of Nations in accordance with the spirit of paragraphs 2 and 6 of Article 8 of the Covenant.”

The report sets out the replies on this matter which have been received from the various countries, and expresses the opinion that the enquiry has not given very conclusive results. In this opinion the Committee concurs. They think, however, it might be well to circulate the recommendation once again, together with a statement of the results so far achieved. Some of the countries may well be prepared to go further than they have hitherto thought it possible to proceed.

The Temporary Commission also considered the question of investigation and reciprocal control. The Committee have no observations to make on this part of the Temporary Commission's report.

It will be noted that this section of the Temporary Commission's report deals with point (d) in the resolution of the First Assembly quoted at the commencement of this report. The proposal contained in the remaining point in this last-mentioned resolution, namely, point (c), has already been carried out as set out in the Report of the Council on page 75. The Committee were, however, of opinion that in view of the very considerable addition to the duties of the Secretariat which they are recommending in the matter of reduction of armaments, further provisions should be made for increasing the Armaments Section of that body.

It will be remembered that, at the First Assembly, proposals were made for condemning the use of poison gas in warfare in accordance with the report of the Council on the subject. The Assembly did not in fact take any action about this, and indeed the experience of the late war has shown how difficult it is to enforce any regulations as to the conduct of war under modern conditions. At the same time the Committee are of opinion that the employment of poison gas and similar devices in warfare is an evil of tremendous proportions. It has been stated that

inventions have been made or perfected since the war, whereby wholesale destruction of the civil population would be possible by the dropping of poison bombs and the like from the air nor is there any reason to suppose that the limits of invention in these fiendish devices have been reached. And if, as seems to the Committee to be arguable, the employment of these weapons would be rendered impracticable if there were no secrecy about them, the possibility of obtaining complete publicity for scientific researches in this domain is certainly worth exploring. Accordingly the Committee recommend that the Temporary Mixed Commission should be asked to consider whether an appeal should not be addressed to all scientific men of the world, urging them to publish to the world the results of their discoveries in such matters, so that the knowledge of them having become public property, their use as weapons of war by any single State may be rendered improbable.

Valuable and important as the proposals are which have been discussed, it is nevertheless true that they do not touch the kernel of the question. If they were all carried out, only preliminary steps would have been taken towards the limitation of armaments. By Article 8 of the Covenant it is made the duty of the Council to "formulate schemes" for the reduction of armaments. No such scheme can yet be said to have been formulated. Doubtless there is much force in the contention that armaments can only be effectively limited when a world condition of peace have been reached, and when the League has become universal. But even this contention may be pressed too far. Complete peace has scarcely ever existed in the world, and cannot be expected in the immediate future. Few observers will deny that great steps might be taken towards the limitation of armaments in many of the principal countries if it were not for the existence of international fear and suspicion, depending not on present hostilities, but on the recollection of past wars. It is true that no complete scheme of reduction of armaments can be carried out without the co-operation of the United States, Germany and Russia. In particular, the naval strength of the first-named Power makes any scheme of naval disarmament impossible without her support, and it is for that reason among others that the Committee warmly welcomes the forthcoming conference at Washington, and trusts that it may be fruitful in securing a large measure of reduction of armaments. But on the military side it must be observed that the Army of the United States has been reduced to 120,000 men. German disarmament, whether complete or not, has proceeded a very considerable distance, and the armies of Russia have neither equipment nor discipline to be a very formidable force to any well trained European army.

There seems no reason indeed why the Council, in performance of the duty imposed upon them by the Covenant, should not lay down the general lines of a policy for the limitation of armaments. The Committee therefore think it desirable that the Temporary Commission should be specifically charged with the duty of preparing such a policy.

It is clear that if, and when, this policy come to be put into effect by the acceptance of a definite scheme of reduction of armaments by the Governments of the Members of the League, this scheme might take the form either of a general treaty or of a series of regional treaties laying down in detailed stipulations the armed forces which each of the contracting parties undertake not to exceed. There is no need here to go into the exact form which these treaties would take. There are already in existence treaties limiting the armaments of various countries, and possibly these might serve as a model. That, however, is a minor point. The principal thing is that the agreements which bring about the reduction of armaments would have to embody mutual undertakings either as to the number of men to be maintained by the various countries, or as to the amount of money to be spent on the equipment, or as to both men and money. It is most important, in order to bring a concrete proposal before the attention of the peoples of the world, that the Temporary Mixed Commission should, after due consideration, draw up the general lines of some definite plan in accordance with which these agreements might be framed. It would be worth while for them to consider whether they could go so far as to propose a report in the form of a model skeleton treaty which could be adapted to the requirements of the situation when the actual agreements came to be made. In order to carry out this task the Committee adopted the suggestion of one of the members of the Temporary Mixed Commission that it should be reinforced.

Finally, the Committee recognise that a policy of disarmament to be successful requires the support of the populations of the world. Limitation of armaments will never be imposed by Governments on peoples, but it may be imposed by peoples on Governments. The Committee are firmly convinced that it is of the most urgent importance that an earnest and vigorous propaganda be carried on in all countries of the world, to bring home to their populations the urgent necessity for the reduction of armaments as provided for in Article 8 of the Covenant, and the Committee venture to suggest to the various delegates to this Assembly that they should make it their business to preach this doctrine in their own countries. For it is only by creating an instructed public opinion in each country that the necessary strength of world opinion can be obtained.

The following recommendations have therefore been adopted by the Committee:—

1. That it is desirable that the Temporary Mixed Commission should be asked to continue the work which it has begun.
2. That the Temporary Mixed Commission be asked to make proposals on general lines for the reduction of national armaments which, in order to secure precision, should be in the

form of a draft treaty or other equally definite plan, to be presented to the Council if possible before the Assembly next year.

In order to enable the Temporary Mixed Commission to accomplish this task, the Council should be asked to strengthen the Temporary Mixed Commission.

3. A statistical investigation will be made with regard to the armaments of the various countries upon the lines indicated in the body of the report.

4. That the Temporary Mixed Commission be requested to continue the examination of the question of the Private Manufacture of Armaments and the Trade in Arms.

5. That the Council be requested to invite all the Members of the League and interested States which are not Members of the League to take part in an International Conference on the Private Manufacture of Arms and the Trade in Arms, which should meet as soon as possible at a date to be fixed under the responsibility of the Council. It is considered highly desirable that this date should be prior to the next session of the Assembly.

The Temporary Mixed Commission should be entrusted with the task of preparing the programme of the Conference and of submitting to it a draft convention.

6. That the urgent importance of ratifying the Convention at the earliest possible moment should be strongly impressed on all the States signatories to the Arms Traffic Convention of St. Germain, whether Members of the League of Nations or not, and at the same time all non-signatory States should be invited to adhere to the Convention.

The Assembly expresses its earnest desire that the importance of this subject may be strongly urged at the forthcoming Conference on Disarmament at Washington.

7. The Assembly, taking note of the view expressed in the Report of the Temporary Mixed Commission on Disarmament with regard to the desirability of making provision for excluding the import of arms and ammunition in time of peace from countries in which the traffic is uncontrolled, invites the Council to prepare a draft protocol for this purpose for the consideration of the various Governments. At the same time it expresses the earnest hope, that this procedure will not in any way be permitted to delay the general ratification of the Convention of St. Germain. The steps that may eventually have to be taken for the destruction of the surplus stocks of munitions may be considered by the Temporary Mixed Commission.

8. That, subject to the conditions set out in the recommendation of the first Assembly, the recommendation that Members of the League should undertake not to exceed for the next two financial years following the present year the sum total of expenditure on military, naval and air forces provided for in the budget of that year, should be again forwarded to all Members of the League, together with a statement showing the replies already received to this recommendation.

9. That the Temporary Mixed Commission be asked to examine—in consultation with the Permanent Advisory Commission whether it is advisable to address an appeal to the scientific men of the world to publish their discoveries in poison gas and similar subjects, so as to minimise the likelihood of their being used in any future war.

10. That it is desirable that propaganda in favour of the reduction of armaments, as contemplated in the Covenant, should be carried out with earnestness and conviction in all nations.

11. In pursuance of the third resolution of the First Assembly, the Committee is of opinion that the Secretariat should be asked to complete the organisation of the Section of the Secretariat dealing with the question of the reduction of armaments and that this section should have a directorship of its own, or other equivalent official organisation, quite separate from and, if necessary, in addition to, those already proposed by the Fourth Committee of the Assembly.

ANNEX 3.—*Report presented to the Assembly by Committee No. III, on the Economic Weapon of the League.*

The League of Nations broached last year the question of the use of the economic weapon and of the construction to be placed upon the provisions of Article 16 of the Covenant. The First Assembly entrusted this question to the Sixth Committee, which, after a Sub-Committee had investigated the matter, submitted a report, drawn up by Lord Robert Cecil, to the Assembly. In this Report, which was adopted by the Assembly with certain slight amendments, the Sixth Committee made certain provisional suggestions with regard to the interpretation and application of Article 16, and in conclusion drafted the following resolution:—

“The Council should be asked to appoint an International Blockade Committee to consider the application of Article 16 of the Covenant. The Committee will report to the Council, which shall place the conclusions before the Assembly at its next session for their acceptance, rejection, or amendment, without prejudice to any action which may have been originally taken upon them. The Committee should not exceed eight in number, with power to summon experts to advise them, and not less than half its members should

be persons representing States which have not a right to permanent membership of the Council."

The first Assembly adopted this Resolution at its meeting on 10th December 1920. The Council therefore appointed the International Blockade Committee, which sat at Geneva from 22nd to 29th August last, and submitted its report to the Council at the end of that month.

The Council has submitted this report to the present Assembly, and the latter has referred it to the Third Committee.

The Third Committee has devoted a number of meetings to the consideration and discussion of the International Blockade Committee's Report, and now has the honour to submit to the Assembly the result of its investigations and the conclusions drawn therefrom.

The International Blockade Committee, with a view to accomplishing its task, divided its report into four headings, on the basis of the following questionnaire:—

- (1) Under what conditions should sanction, be applied?
- (2) Whose duty is it to decide that the necessity for sanctions has arisen?
- (3) At what moment, and by whom, should these measures be applied?
- (4) How should they be applied?

Your Committee has adopted the same logical system in its enquiry, and has thus been enabled to investigate in proper sequence all the principal questions relating to the employment of the economic weapon, especially the questions referred to in the report adopted by the First Assembly.

The Committee has, however, slightly amended the headings of the various chapters in order to make these headings correspond more precisely to the subject dealt with in each chapter.

It is important first of all that certain general considerations should be put forward.

There is no doubt that Article 16 is one of the most important and fundamental Articles contained in the Covenant. As Lord Robert Cecil pointed out in the speech which he made on this question in the First Assembly, the most powerful weapon possessed by the League of Nations is the public opinion of the world, which will force the members of the League to respect the Covenant. In the domestic affairs of States, however, it is sometimes necessary to use force in order to compel certain individuals to respect the law, and in the same way it may, in certain cases, be necessary to resort to the economic weapon in order to compel Members of the League to fulfil their obligations.

It follows, therefore, that Article 16 is one of the principal elements of the legal system embodied in the Covenant, and this system would be altogether incomplete were no provision made for the enforcement of effective sanctions against States which do not fulfil their obligations.

On the other hand, there is no doubt whatever that the application of Article 16 involves many complicated questions which it is very difficult to solve.

The starting point of the argument and of the conclusions arrived at by the Blockade Committee has been as follows:—The authors of the Covenant had considered the League of Nations as an organisation embracing all or nearly all States, and capable of prompt action in the event of breach of the Covenant. In the view of the International Blockade Committee, the application of Article 16, even had the League been universal, might have formidable consequences either for the League of Nations in general or for some of its Members. But the afore-mentioned Committee was of the opinion that as the League of Nations had not yet attained a world-wide or nearly world-wide character, a very rigid application of Article 16 would not only meet with very great obstacles, but might also place the States Members of the League in very difficult situations. That is why the International Blockade Committee has seen fit to recommend solutions which, in the present stage of the League of Nations, will, so far as possible, make allowance for the facts as they are.

Your Committee therefore considered that it must proceed cautiously and by degrees; hence the texts which it ventures to submit to you.

The International Blockade Committee came to the conclusion that certain parts of Article 16 would have to be modified, and submitted texts to this effect, considering also that if its various proposals for interpretation were favourably received, it would be expedient to submit the Article as a whole to re-consideration and re-drafting.

Your Committee has accepted this point of view and accordingly submits to you a new drafting of Article 16, embodying the amendments which it thought necessary to introduce.

For this reason your Committee has considered it advisable to leave the provisions of Article 16 as a whole intact and in their logical connection, restricting itself to proposing three amendments only to the text of the Article which appeared indispensable, as they contemplate measures for the adoption of which declarations of a purely interpretative character would not suffice.

1.—Under what Conditions should Sanctions be applied? Effect of a Member of the League having resort to War in violation of the Covenant.

The Blockade Committee, in the first place, expressed the opinion that, reserving the special provision in Article 17, the economic measures mentioned in Article 16 are only applicable to the specific case contemplated in that Article.

Your Committee associates itself with this point of view; the provisions of Article 16 in this respect are clear and explicit. Economic measures as a means, not only of putting an end to hostilities, but also as a means of forestalling them, or of assuring the execution of arbitral awards, may be contemplated also in other cases—to give examples, in those cases referred to in Articles 10 and 11, first paragraph, Article 17, fourth paragraph, etc. In these circumstances, however, the application of economic measures has not the character of a compulsory sanction as in the hypothesis contemplated by Article 16. What is this hypothesis?

It is laid down that, "should any Member of the League resort to war in disregard of its Covenants under Articles 12, 13 or 15." It would, therefore, be necessary to resort to compulsory application of the economic sanctions provided for by Article 16 when a Member of the League resorts to war—

- (a) without having submitted a dispute likely to lead to a rupture either to arbitration or to enquiry by the Council (Article 12, first paragraph);
- (b) without having waited three months after the award by the arbitrators or the report by the Council (Article 12, first paragraph);
- (c) against a Member of the League which complies with the award by the arbitrators (Article 13, fourth paragraph);
- (d) against a Member of the League which shall have accepted a report by the Council concurred in by all the Members, or a resolution of the Assembly adopted by a majority under the conditions contemplated by the last paragraph of Article 15.

Finally, the compulsory application of economic sanctions mentioned in Article 16 is required in the case contemplated in the first and third paragraphs of Article 17, either, when a State, not a Member of the League, has resorted to war and agrees to submit to the obligations imposed upon Members for the purpose of settling a dispute, or when a State which is not a Member of the League refuses to accept these obligations.

A second point of great importance for the just interpretation of Article 16 is the declaration, contained in the first paragraph of the same Article, the State Member of the League which resorts to war contrary to the provisions of Articles 12, 13, 15, "shall, *ipso facto*, be considered as having committed an act of war against all the other Members of the League."

With regard to this, the Blockade Committee has emphasised the difference between *act of war* and *state of war*. There is no doubt that an act of war on the part of the Covenant-breaking State gives to all the other Members of the League the right to proceed to acts of war against that State, and even to declare themselves at war with it.

But the unilateral act of the defaulting State is not, according to the views held by the Blockade Committee, sufficient to create a state of war which would, for the greater part of the Members of the League, be a mere fiction.

Your Committee concurred in this point of view. The fundamental idea inspiring the Covenant is the avoidance of war and the substitution of pacific measures for the settlement of international differences, or of less violent sanctions such as those of an economic nature. Once this fundamental idea is admitted, it scarcely seems rational to attribute to the unilateral act of a defaulting State the power of determining automatically a general state of war throughout the world; it is evidently not in the interests of the Members of the League to be obliged to consider themselves from the first moment as at war with the defaulting State, and to deduce from this state of war all the consequences admitted by international law.

It appears, on the contrary, more in keeping with the high ideals of the League of Nations to grant the Members of the League a certain latitude in applying the sanctions contained in Article 16, so that at the outset they might restrict themselves to exercising a certain economic pressure which could, if necessary, be gradually increased and intensified; but they might declare themselves definitely at war only if the defaulting State persisted in its conduct as a Covenant-breaking State.

In accordance with the foregoing considerations, the Committee asks the Assembly to adopt the following Resolutions:—

1. Subject to the special provisions of Article 17, the economic measures referred to in Article 16 shall be applicable only in the specific case referred to in this Article.

2. The unilateral action of the defaulting State cannot create a state war: it merely entitles the other Members of the League to resort to acts of war or to declare themselves in a state of war with the Covenant-breaking State; but it is in accordance with the spirit of the Covenant that the League of Nations should attempt, at least at the outset, to avoid war, and to restore peace by economic pressure.

II.—*Whose Duty is it to decide that the necessity for Sanctions has arisen? Nature and Limitations of the Powers of the Council.*

A guiding principle for the interpretation of Article 16 was approved by the Assembly at its first meeting, in accordance with the proposals of the Committee set up last year. This principle is as follows: It is the duty of each of the Members of the League to ascertain and to decide whether a breach of the Covenant within the meaning of Article 16 has been committed.

The principle is in agreement with the spirit of the Covenant, and with the fact that Article 16 does not recognise that any organisation of the League of Nations has the power to decide, in such a way as to bind all the other Members, that a given Member is a treaty-breaking State. Such a power would not be consistent with the sovereign rights of the various States.

On the other hand, this principle certainly does not mean that the Members of the League may of their own free will withdraw from the obligations incurred in virtue of the Covenant. When cases provided for by Article 16 arise, and as soon as a Member of the League is convinced that a breach of the Covenant has occurred within the meaning of Article 16, it is bound to co-operate in the application of the sanctions provided for in this Article. This obligation is explicitly imposed by the Covenant, and must be observed by the Members of the League in accordance with the respect due to Treaties.

Nevertheless, the difficulties involved in the application of the fundamental principle which we have just stated cannot be ignored.

Differences of opinion may exist in the various countries as to the facts which would constitute a breach of the Covenant within the meaning of Article 16. As the International Blockade Committee points out, grave doubts may arise as to which country had committed the first acts of war, or whether the State which has been attacked has carried out a unanimous recommendation of the Council. Moreover, isolated attempts, aiming at the immediate application of the economic sanction, might involve the States actually making these attempts in very unfortunate consequences, without affecting the Covenant-breaking State to any appreciable degree. They may, moreover, give rise to disagreements between the States applying the economic weapon and such Members of the League as may delay in doing so.

It is therefore a question of reconciling the liberty and independence of the States in the determination of a breach of the Covenant on the one side, with the obvious necessity on the other, of arriving at an agreement between Members of the League as to the existence of a substantive breach of the Covenant within the meaning of Article 16 and of co-ordinating their action on the basis of a joint plan.

Your Committee believes that this conciliation can be found in the procedure outlined in the Resolutions, the text of which it submits to you at the end of this chapter.

Every Member of the League has the right, and it is the Secretary-General's duty immediately to inform the Council of any breach of the Covenant, or to warn it of the danger of such a breach. Thus informed, the Council, on its side, must meet with as little delay as possible, and summon, besides the States involved in the conflict, the other States most concerned which are not represented on the Council.

It is not possible to give any exact definition of what is to be understood by "the States most concerned." Nevertheless, we are in agreement on this point with the International Blockade Committee, and we have therefore endeavoured to show, in a list which is purely indicative in character, what States these might be. The majority of the Committee did not agree with the International Blockade Committee proposal to leave—temporarily and subject to the Council's decision—the choice of the States to be summoned to the President of the Council. It seemed to the majority of the Committee that this was a duty of such importance that it could only be assigned to the Council itself; this body, moreover, meeting urgently, would certainly not fail to take steps at its first meeting for summoning the States in question. If the choice of the States to be summoned were left to the President, this procedure might give rise to serious inconveniences, especially if the President's choice should not be ratified by the Council.

It must be emphasised that the Council must not take any decision as to whether a breach of the Covenant had taken place; its duty is merely to give its opinion.

It is the great moral authority of the Council, strengthened by the presence of the States concerned, which must confer upon its opinion that convincing force which is essential for bringing the Members of the League into agreement, and for inducing them to take joint action. Faced with the Council's opinion, deeming a State to have broken the Covenant, it will be very difficult for the Members of the League to evade the fulfilment of their engagements.

In order that the Council's opinion that a breach of the Covenant has taken place may have all necessary influence on the Members of the League, it is indispensable that the minutes of the meeting at which this opinion has been formulated should be transmitted with the least possible delay to all the Members of the League, together with a statement explaining the reasons for this opinion and a request to the Members to conform thereto; the greatest publicity should be given to this act in order that it may be known to States which do not belong to the League of Nations and to public opinion throughout the whole world.

One more point remains to be elucidated with regard to the procedure to be followed by the Council in adopting the opinion in question.

We have admitted that representatives of the States in conflict and of the other States most concerned, even if they are not Members of the Council, should sit on that body whenever an opinion is to be formulated as to whether there has been a breach of the Covenant or not.

That is in accordance with the provisions of Article 4, paragraph 5, of the Covenant. But it would not be possible to admit also that a State accused of having violated the Covenant, whether it is or is not an ordinary Member of the Council, may by its vote prevent action on the part of the League, or that the accusing State should have a decisive influence on the opinion adopted by the Council.

The Committee has endeavoured to avoid, as far as possible, proposing amendments to Article 16, preferring to employ the method of interpretative statement. But to settle the question of procedure which is under discussion here, it is essential to amend the text of Article 16 in order to modify the general provisions laid down in Articles 4 and 5.

We have accepted the International Blockade Committee's idea not to create a permanent technical organisation to carry out Article 16, but only to provide that the Council shall, if necessary, when Article 16 is being applied, be assisted by a technical Committee, the members of which would be appointed by the Council.

The Committee proposes that the Assembly should adopt the following resolutions :—

1. It is the duty of each Member of the League to decide for itself whether a breach of the Covenant has been committed. The fulfilment of their duties under Article 16 is required from Members of the League by the express terms of the Covenant, and they cannot neglect them without breach of their Treaty obligations.

2. All cases of breach of Covenant under Article 16 should be referred to the Council as a matter of urgency at the request of any Member of the League. Further, should a breach of Covenant be committed, or should there arise a danger of such breach being committed, the Secretary-General should at once give notice thereof to all the Members of the Council. Upon receipt of such a request by a Member of the League, or of such a notice by the Secretary-General, the Council will meet as soon as possible. The Council should proceed to summon representatives of the parties to the conflict and of all States which are neighbours of the defaulting State, or which normally maintain close economic relations with it, or whose co-operation would be especially valuable for the application of Article 16.

3. If the Council is of opinion that a State has been guilty of a breach of Covenant, the minutes of the meeting at which that opinion is arrived at should be immediately sent to all Members of the League, accompanied by a statement of reasons and by an invitation to take action accordingly. The fullest publicity shall be given to this decision.

4. For the purpose of assisting it to enforce Article 16, the Council may, if it thinks fit, be assisted by a *technical* Committee. The composition of this Committee, which will remain in permanent session as soon as the action decided on is taken, will be subject to modification and may include, if desirable, representatives of the States specially affected. Those representatives should be selected by the Council.

The Committee proposes the following amendment to Article 16 before the last paragraph should be inserted :—

“The Council has to give an opinion as to whether a breach of the Covenant has taken place or not. When the Council gives such an opinion, the votes of the States charged with having committed a breach of the Covenant and of the State bringing the charge, no matter whether these States are Members of the Council by virtue of Article 4, paragraph 1, of the Covenant, or have been specially summoned, shall not be reckoned in determining whether or not there has been an unanimous decision.”

III.—*At what Moment and by whom should the Sanctions be applied?*

The Committee agrees with the International Blockade Committee as regards the following statement: In view of the fact that it is necessary in the general interest that the economic weapon should be effective, and that for this purpose efforts must be centralised and a common plan of action adopted, the Council should fix a date on which the measures in question should be taken, and that it should give notice of this date to all the Members of the League.

It is true that in paragraph 1 of Article 16 the word “immediately” is used, but this word may, in the opinion of the majority of the Committee, be reconciled, according to circumstances and common sense, with the necessary and inevitable period required for the adoption and putting into practice of a common plan for the application of the economic sanctions.

The Committee also agrees with the International Blockade Committee as regards the general principle that, all States should be on the same footing in respect of the application of measures of economic pressure, and should be treated with absolute impartiality. This general principle, however, may, in practice, give rise to certain reservations on two grounds.

On the one hand, it may be necessary to assign a special mission to certain States. For example, those States which border upon or are situated near the State which has violated the Covenant may have to take special measures, the adoption of which by the other Members of

the League it would be unnecessary or quite useless to demand. It may also be necessary to take naval, military or air measures against the State which has committed a breach of the Covenant. In this case it is the duty of the Council under the terms of Article 16, paragraph 2, to recommend to the various Governments concerned the measures to be adopted. It is clear, however, that all States could not be called upon to take part in these steps in the same manner and to the same extent.

In the second place, the International Blockade Committee was of opinion that in the case of certain States complete and immediate participation in an economic blockade might, owing to the inadequate natural resources and the geographical position of these States, involve them in serious dangers, particularly if the blockaded State were economically very strong and one with which the States in question ordinarily maintain close commercial relations. The amendments to the Covenant submitted by the Scandinavian States refer to this case.

On this point the international Blockade Committee arrived at the conclusion that in practice the principle on which these amendments are based must be carried out, but that it is of the utmost importance to specify that what is aimed at is not a general system of exemptions, but only an exemption for a specific case and in particular circumstances which justify such an exemption. On this point the International Blockade Committee proposed the following amendment to Article 16 :—

“The Council may, however, at the request of a Member which can show that the facilities demanded are essential for its economic or political security, grant such exemptions as, in its opinion, will not conflict with the aims of Article 16.”

On this point there was a long discussion in your Committee. From this discussion it was ascertained that the majority of the Committee felt that it could not support the amendment proposed by the International Blockade Committee for the reason that it did not think that it could, in principle, allow any real exceptions to the obligations laid down in Article 16 to be granted. Indeed, such exceptions would be contrary to the duty of all the States Members of the League to observe the engagements which they have undertaken in virtue of the Covenant, and would also contravene the principle of justice and equality among these States.

But the majority of your Committee considered that account must to a certain extent be taken of the particular conditions and requirements of certain countries, and that situations might arise in which it would be recognised as expedient to postpone, in the case of certain States, either wholly or in part, and for fixed periods, the effective application of the economic sanctions laid down in Article 16. In this there would be no contravention of the fundamental principle that all the Members of the League are equally bound to observe the obligations of the Covenant. It will be admitted that under given circumstances the application of the economic measures may be carried out with a certain gradation, not in any particular interest, but in the general interest of the success of the economic pressure on the defaulting State.

It might happen, for instance, that, in view the particular situation of a State, if this State were to break off all relations with the defaulting State, the latter would be induced to commit acts endangering the success of the common action of the League—for example, to take possession of certain strategic points of the first State. On the other hand, the spirit of article 16 presupposes a common plan of action and gives to the States the right of mutual support.

The view was expressed in the Committee that this solution was contrary to the principle laid down in the first paragraph of Article 16; that is to say, that the members of the League undertake *immediately* to break off all relations with the defaulting State. But, as has already been stated in the preceding chapter in connection with the moment at which the economic pressure is to be applied, the expression “*immediately*” used in Article 16 must, in the opinion of the majority of your Committee, be interpreted as meaning that the act constituting a breach of the Covenant entails an *immediate obligation* for all Members of the League to break off their relations with the defaulting State. This, however, does not mean that, as far as time is concerned, certain States may not, by common agreement and in the general interest, be absolved from the immediate *carrying out of this obligation*. In interpreting the word “*immediately*” in the light of the existing situation and of common sense, we are therefore inclined to the view that the execution of the obligation must be effected without delay, when, having regard to the common object in view, such execution is essential.

The Committee has thought it necessary that the solution proposed to you should take the form of an amendment, the text of which it now lays before you.

The Committee proposes that the Assembly adopt the following resolutions :—

1. The Council should fix the date on which the enforcement of economic pressure, under Article 16, is to be begun, and should give notice of that date to all the Members of the League.

2. All States must be treated alike as regards the application of the measures of economic pressure, with the following reservations :—

(a) It may be necessary to recommend the execution of special measures by certain States;

- (b) If it is thought desirable to postpone, wholly or partially, in the case of certain States, the effective application of the economic sanctions laid down in Article 16, such postponement shall not be permitted except in so far as it is desirable for the success of the common plan of action, or reduces to a minimum the losses and embarrassments which may be entailed in the case of certain Members of the League by the application of the sanctions.

Further, the Committee proposes to the Assembly the following amendment: Insert after the first paragraph of Article 16:—

“ Nevertheless, the Council may in the case of particular Members postpone the coming into force of any of these measures for a specified period where it is satisfied that such postponement will facilitate the attainment of the object of the measures referred to in the preceding paragraph, or that it is necessary in order to minimise the loss and inconvenience which will be caused to such Members.”

IV.—*How should the Sanctions be Applied?*

The Committee supports the view of the International Blockade Committee, which has expressed the opinion that it is impossible to decide in advance and in a definite manner on all measures to be taken for the application of Article 16. It has, however, recognised that it would be well to give, at this juncture, some general indications on the way in which the sanctions of the said Article should be applied.

Article 16 stipulates, in the first paragraph, that the Members of the League of Nations undertake “ immediately to sever all trade or financial relations with the defaulting State, to prohibit all intercourse between their nationals and the nationals of the Covenant-breaking State, and to prevent all financial, commercial or personal intercourse between the nationals of the Covenant-breaking State and the nationals of any other State, whether a Member of the League or not.”

According to this provision, from the moment when the sanctions are applied, a situation arises which is not compatible with the maintenance of diplomatic relations. But, if a state of war is not expressly declared, it would not be impossible, in the opinion of the International Blockade Committee, to confine this action, at the outset, to the recall of the heads of Missions. This step would probably produce a profound impression, especially if taken by the various Members of the League simultaneously. At first it might, therefore, be advisable to maintain diplomatic representatives of lower rank, in the hope that the defaulting State might change its attitude.

Your Committee supports this view, and also shares the opinion of the International Blockade Committee regarding the possible maintenance of consular relations. In a similar way, if no state of war has been declared, the temporary maintenance of Consuls at their posts may serve a useful purpose in view of any change in the attitude of the Covenant-breaking State.

As regards the most essential parts of the sanctions of Article 16, that is to say, the severance of all trade and financial relations, and the prohibition of all financial, commercial or personal intercourse between the people of the blockaded State and of other States, the word “ nationals ” used in this Article has raised serious problems. Last year it was held in the Assembly that the word “ nationals ” should be interpreted as a synonym for “ inhabitants ” in the sense that a Member of the League shall not be obliged to prohibit, in its own territory, the intercourse of its own nationals with the nationals of the defaulting State. The prohibition of intercourse, according to this interpretation, should apply from country to country, i.e., between States and not within States. It has been observed that any contrary interpretation might create extremely difficult situations, especially in countries the population of which comprises a large proportion of foreigners.

The International Blockade Committee has held that the word “ nationals ” should be understood in the sense of “ residents,” but that this interpretation of the word “ nationals ” was not an obvious one, so that it was necessary to amend Article 16 in this respect.

Your Committee shares this view, and consequently submits to you a proposed amendment to the second portion of the first paragraph of Article 16. It does not appear that the problems raised by the word “ nationals ” can be solved merely by an interpretation explanation and without inserting an explicit amendment in the provision in question.

The International Blockade Committee, after having laid down that the prohibition of all commercial relations with the inhabitants of the defaulting State should be strictly applied by all Members of the League, proposed to prepare and to revise from time to time a list of articles considered to be of vital importance in warfare. No exemptions could be granted concerning articles mentioned in this list, which would at the same time form a list of contraband, if it became necessary to exercise the right to search vessels at sea.

Your Committee did not consider it expedient to accept this suggestion made by the International Blockade Commission. It seemed to the Committee that it was premature to draw up a list of this kind at this time. We are here concerned with measures which cannot be anticipated, the details of which depend upon circumstances of time and place difficult to foresee accurately, and on the special situation of the State which might be subjected to economic pressure.

The International Blockade Committee justly considers that the economic pressure should be applied by measures becoming, if necessary, more and more stringent. Your Committee accepts this principle of graduation in the employment of the economic weapon and associates itself also with the conclusion that the cutting off of the food supplies of the civil population of the defaulting State should be regarded as an extremely drastic measure, to be applied only if all other available measures have been found to be clearly inadequate.

In order to assure the interruption of the relationships mentioned in the first paragraph of Article 16, it will be essential to submit correspondence and all other methods of communication to special regulations. The necessity of such a measure has been shown by experience.

Article 16 speaks of the prohibition not only of financial and commercial relations, but also of *personal* communications. The International Blockade Committee has felt itself called upon to interpret this expression in the sense that personal relations should only be interrupted if they have a bearing upon commercial or financial relations. Your Committee, however, has not considered that it was necessary to introduce distinctions in this respect, which would be difficult to draw, and limitations which may be dangerous to the success of the measures of economic pressure.

As regards humanitarian relations, it is fully accepted that these should continue. Last year this question was discussed in the Assembly, and the Sixth Committee expressly declared that the prohibition of all commercial or other relations between the inhabitants of countries Members of the League of Nations and the inhabitants of the territory of the defaulting State did not include any existing humanitarian relations.

A difficult question which has been raised is that of deciding how the economic weapon is to be employed when a Covenant-breaking State has for a neighbour a State which does not belong to the League, and, generally, what is to be the attitude to be adopted towards those States which are not Members of the League.

The International Blockade Committee did not think it necessary to give much time to the consideration of this point, as it involves questions which do not arise directly, or at any rate not exclusively from Article 16. The Committee limited itself to declaring that, as regards the States which are not Members of the League, every possible effort should be made to conclude agreements which would assure at least the passive co-operation of these States in the measures to be taken; this recommendation applies also to all the exporting States and all the States whose territory is adjacent to that of the defaulting State. The International Blockade Committee did not consider it necessary to formulate a decision on the measures which might be adopted if it should be impossible to arrive at agreements, an eventuality which the Committee did not consider probable.

Nor does your Committee believe it necessary or suitable, at the present time, to make declarations upon this point which might limit the freedom of action of Members of the League. If the occasion should arise, it will be the duty of the Council to consider the means for preventing the employment of the economic weapon being rendered useless by the action of States which do not form part of the League, and to propose suitable measures for this purpose to the Members of the League.

It has already been explained in Chapter III, that for the application of economic sanctions it may be necessary to recommend special measures for certain States. Amongst these special measures we must mention particularly that of the effective blockade which would have to be applied on the seaboard of the defaulting State. If it were decided to have recourse to such a measure, it would devolve upon the Council, in accordance with Article 16, paragraph 2, to recommend what naval forces should be employed, and what Members of the League should be called upon to effect the blockade.

The International Blockade Committee hesitated to declare an opinion on the application of the maritime blockade and on the exercise of the right of visiting vessels, because it felt that the effects of the new conception, which is embodied in the League of Nations upon the traditional principles of international law, required an exhaustive study. Instituted to investigate the question of the application of Article 16, the Committee, by reason of its technical nature, considered that a legal problem of such importance was scarcely within its competence. It confined itself to stating that in particular instances, where the enforcement of economic measures was necessary, it might be expedient to impose and maintain an effective blockade on the seaboard of the defaulting State, and that it might also be expedient for a certain number of Members of the League to exercise the right of belligerents in stopping and visiting vessels at sea and establishing prize courts.

It was proposed in your Committee to ask the Council to appoint a special Committee of legal, naval and commercial experts, who should be instructed to consider the rules for the application of a maritime blockade, considered as a measure supplementary to the economic sanctions provided for in Article 16 of the Covenant. But the majority of the Committee were unwilling to endorse this proposal.

As regards the executive or legislative measures which each country might have to adopt for the application of the economic sanctions of Article 16, the International Blockade Committee considered that this was a question which each country must decide for itself. It was neither incumbent upon, nor possible for, the League to lay down uniform rules for the legislative or executive procedure to be adopted by the various countries.

This opinion cannot but be unreservedly accepted, and it was precisely on account of this consideration that the Secretary-General of the League had addressed a questionnaire to the various Governments, in order to find out what were their respective laws in this matter. The replies from the Governments to this questionnaire have been published. From them it is evident that the laws of the various countries in the matter of the competence of the Governments, or of the legislative bodies, to authorise and adopt the measures provided for in Article 16, are very different. What is most important in the opinion of your Committee is that the Secretary-General of the League of Nations should again urge upon all Governments to prepare themselves to carry out without delay—should occasion arise—the obligations they have undertaken under Article 16 of the Covenant.

The Committee proposes the following resolutions for adoption by the Assembly :—

(1) It is not possible to decide beforehand, and in detail, the various measures of an economic, commercial and financial nature to be taken in each case where economic pressure is to be applied.

When the case arises, the Council shall recommend to the Members of the League a plan for joint action.

(2) The interruption of diplomatic relations should, in the first place, be limited to the withdrawal of the heads of Missions.

(3) Consular relations may possibly be maintained.

(4) For the purposes of the severance of relations between persons belonging to the Covenant-breaking State and persons belonging to other States Members of the League, the test should be residence and not nationality.

(5) In cases of prolonged application of economic pressure, measures of increasing stringency should be taken. The cutting off of the food supplies of the civil population of the defaulting State should be regarded as an extremely drastic measure which should only be applied if the other measures available are clearly inadequate.

(6) Correspondence and all other methods of communication will have to be subjected to special regulations.

(7) Humanitarian relations will be continued.

(8) Efforts should be made to arrive at arrangements which would ensure the co-operation of States non-Members of the League in the measures to be taken.

(9) In special circumstances and in support of economic measures to be taken it may become advisable (a) to establish an effective blockade of the seaboard of the Covenant-breaking State ; (b) to entrust to some Members of the League the execution of the blockade operations.

(10) The Council should urge upon all the States Members of the League that their Governments should take the necessary preparatory measures, above all of a legislative character, which would enable them to enforce at short notice the necessary measures of economic pressure.

The Committee proposes an amendment to the following effect: the words "their nationals and the nationals," in the first paragraph of Article 16, shall be replaced by the words "persons residing in their territory and persons residing in the territory"; the words "the nationals of the Covenant-breaking State and the nationals," in the same paragraph, shall be replaced by the words "persons residing in the territory of the Covenant-breaking State and persons residing in the territory."

The Committee thinks that it has conscientiously considered the Report of the International Blockade Committee and has clearly stated its opinions upon the various solutions suggested by that Committee. The Committee has not accepted all these solutions and has modified the form of some of them, but, generally speaking, it feels bound to express its appreciation of the efforts of the International Blockade Committee, which has undoubtedly made a considerable contribution to the work of interpreting the Covenant.

The Committee has endeavoured to provide the Assembly with complete information on the question, so that it may be in a position to take the decisions necessary for the practical application of Article 16 and for the employment of the economic weapon. The Committee hopes that it has in this way fulfilled the task entrusted to it by the Assembly.

(Signed) CARLO SCHANZER, *Rapporteur*.

Geneva, 20th September 1921.

APPENDIX.

The text of Article 16 of the Covenant with the modifications proposed by the majority of the Third Committee. (See paragraph 67 of the Report.)

ANNEX 4.—*Report submitted by the Fourth Committee on the organisation of the Secretariat and the International Labour Office.*

The Fourth Committee devoted nine meetings between 8th and 21st September to detailed work upon, and exhaustive study of, the report of the Commission of Enquiry. It has adopted the conclusions of this Commission of Enquiry with a few slight alterations affecting the form rather than the substance.

We examined both the organisation of the Secretariat of the League of Nations and that of the International Labour Office. In the case of these two institutions the majority of the problems are identical, or at least of a very similar nature. The remarks and recommendations of the Fourth Committee will consequently have reference both to the Secretariat and to the International Labour Office. Particular mention will, however, be made *in fine* of special points connected with the International Labour Office.

Finally, three annexes are attached in support of certain recommendations, and to develop certain questions which have called for special discussion, or to illustrate, by means of selected examples, certain points of detail.

PART I.—SECRETARIAT OF THE LEAGUE OF NATIONS.

I.—GENERAL OBSERVATIONS.

The Fourth Committee endorses in general terms the high opinion formed by the Commission of Enquiry in regard to the work of the Secretariat and the manner in which it has understood and carried out its duties.

We have taken into consideration the individual qualities and high standard of culture shown not only by the Directors, but by the great majority of the administrative staff.

We congratulate them and thank them for their unbounded faith in the great ideals of the League, their unremitting zeal in the execution of its designs and their unshaken confidence in its ultimate success. We consider that, in order to appreciate what is actually achieved, it is fair to bear in mind the difficulties inherent in any organisation, the personnel of which is of necessity recruited on an international basis, and which was called upon to set to work and forthwith produce results. We agree that it is difficult to see how what has actually been achieved could have been more speedily or effectively carried out.

We recommend with special urgency that, in the interests of the League, as well as in its own interests, the Secretariat should not extend the sphere of its activities, that in the preparation of the work and the decisions of the various organisations of the League it should confine itself to collating the relevant documents and the preparation of decisions without hazarding suggestions; finally, that once these decisions had been taken by the bodies solely responsible for them, it should confine itself to executing them in the letter and in the spirit, and should refrain as far as possible from interpreting them.

II.—SEAT OF THE LEAGUE.

The Fourth Committee has taken note of the statement of the Commission of Enquiry with regard to the high cost of living in Geneva.

We are of opinion that, as regards the choice of the town where the seat of the League is to be established, the realisation of possible economies is only one aspect of the question. For a problem of this kind is in our opinion governed by other and far more important considerations.

We consider, however, that all the evidence necessary for arriving at a reliable estimate of the cost of living in Geneva should be collected. We propose to entrust this investigation to the Salaries Adjustment Committee, the creation of which is dealt with later.

III.—THE MEETING PLACES OF THE COUNCIL, ASSEMBLY, COMMITTEES AND CONFERENCES AND EXPENSES OF MEETINGS.

The Fourth Committee, realising that the holding of the meetings of the various organisations elsewhere than at the seat of the League occasions both considerable expenditure and a temporary but profound disorganisation of the services of the Secretariat, recommends that the meetings of the Council shall normally be held at the seat of the League, and that, except on the rarest possible occasions, all Committees and Conferences held under the auspices of the League shall also meet there. We recognise that it is clearly desirable that the Secretariat should keep in the closest and most frequent possible touch with the principal countries, but we recommend that this contact should be established by means of individual journeys on the part of the Director of the Secretariat, and especially the Secretary-General and the Deputy Secretary-General.

IV.—INTERNATIONAL LIAISON BUREAUX.

The Committee adopts the observations and recommendations of the Commission of Enquiry as regards the organisation of international liaison bureaux in the great capitals in order to provide for the co-ordination and unification of relations of all kinds between the League of Nations and its organisations and the Government services in the principal countries. The economies in personnel, time and charges of the League which the formation of these national bureaux would make possible (the bureaux being, of course, organised by the individual initiative of the various countries and supported by their respective budgets) are both, from the material and moral points of view, so considerable that the Committee feels impelled strongly to recommend their establishment. Further, the establishment of corresponding national bureaux at the seat of the League, which appears eminently useful in the case of distant countries, must even more emphatically be left to the initiative of the nations interested.

The Committee considers that from the point of view of economy—which is our sole object—such an arrangement seems less necessary for certain less distant countries with whom liaison is both quicker and easier.

V.—OFFICE OF THE LEAGUE OF NATIONS IN SOUTH AMERICA.

The Secretariat has taken the step—which experience has shown to be justified—of establishing branch offices in Paris and London. These offices are controlled and paid for by the League of Nations, which differentiates them completely from the national liaison bureaux referred to above.

It has contemplated the extension of similar institutions, and its attention has been drawn in the first place to the utility of establishing one in South America. The Financial Director of the Secretariat has emphasised the notable economies, as well as the very appreciable simplification of communications which would be realised by the despatch of all documents, messages, and, above all, of all cablegrams, towards one central office which would undertake their redistribution.

No doubt the economy which would certainly thus be realised would not absolutely compensate for the fresh expenditure necessitated by the creation of this office. This creation would thus, on the whole, imply fresh expenses for the League; but the consideration of the moral benefit to be reaped appeared to the Committee by far to outweigh that of the material expenditure.

Having reassured ourselves that this innovation would generally correspond to the wishes of the States interested, we formally approved the principle, leaving the details of its execution to the Secretary-General, under the authority of the Council.

VI.—POSTAGE.

The Committee considers that the postal and telegraphic expenses, rendered heavier for the majority of States by the rate of exchange of the Swiss franc, which at the present time is high, constitute an extremely heavy burden on the Budget of the League. We recommend the Secretary-General to do his utmost, with the help of the Swiss Government, to obtain the greatest possible facilities.

VII.—STAFF.

(a) *Salaries.*

1. The Fourth Committee has formed the general conclusion that the absolute value of salaries and wages shows a high average. It has been found impossible to do otherwise than calculate it on the basis of salaries granted to the highest paid officials in the various States Members of the League, at the risk of seeing the Secretariat and the International Labour Office deprived of the services of the aforesaid officials, which would have been out of the question. Having formed this conclusion, the Committee considers that, in accordance with the opinion of the Commission of Enquiry, this average scale of salaries and wages is justified as compared with those obtainable elsewhere.

The Committee attaches to its Report (see Annex 1) a schedule of salaries which it considers reasonable for the various grades of the staff. This schedule contains, at least in the case of the higher officials (from Directors down to Members of Sections) figures slightly inferior in a descending scale to those given in the Report of the Commission of Enquiry. These latter figures themselves were already such as to make it possible to recruit members of the staff at somewhat lower figures than those which have been paid hitherto, and which must continue to be paid until the expiration of current contracts.

We consider that the figures proposed in Annex 1 are perfectly reasonable and will allow the retention of the services of the nationals of all States Members of the League. Moreover, they constitute their own justification as against criticisms which public opinion—when better informed—will, it is to be hoped, no longer direct against them. Further, the emoluments at the present moment granted to the Secretary-General and his assistants may in the future

and at the expiration of existing contracts be subjected to reasonable reductions proportionate to those which enabled us to arrive at the figures of Annex 1.

2. *A Salaries Adjustment Committee.*—The Fourth Committee adopts the proposal of the Commission of Enquiry to create a Salaries Adjustment Committee with the object of modifying from time to time the salaries of employees in accordance with the periodic variation of the cost of living. We approve the methods proposed to this end by the Commission of Enquiry for the constitution and duties of this Salaries Adjustment Committee. We consider that any recommendations made by this Committee must be submitted in the case of the Secretariat to approval of the Council of the League, and in case of the International Labour Office to the Governing Body, for their approval before they are put into effect. It is a matter of course that the aforesaid Committee must keep strictly within the limits the budget regularly voted by the Assembly.

3. *Choice between payment in Swiss francs or in Gold francs.*—The Committee has adopted the conclusions contained in the Report of the Commission of Enquiry suggesting the adoption of the Swiss franc, and it recalls the fact that the salaries figuring in the schedule of Annex I have been calculated in this currency.

4. *Expatriation.*—The Fourth Committee appreciated the fact that in the scale of salaries proposed by the Commission of Enquiry the factor of expatriation had not been overlooked, and we consider it reasonable that the Commission should have taken it into account.

5. *Income-Tax.*—The Fourth Committee, taking into consideration the unfavourable situation of certain officials of the League who are nationals of the States whose fiscal laws impose a tax on incomes and in particular on salaries and earned income, approves and adopts the suggestion made by the Commission of Enquiry that the Governments concerned should be approached with a view to inducing them to exempt all officials of the League of Nations, in respect, of course, only of their salaries from the League, from income-tax of any kind upon those salaries.

6. *Travelling Expenses, Subsistence and Entertainment Allowances.*—The Committee recommends that, as far as travelling expenses and subsistence allowances are concerned, travelling expenses should henceforward be paid exactly as incurred; that subsistence allowances should be calculated to cover not the total expenses of an official during his absence, but only the excess of exceptional expenditure that he incurs abroad as compared with his daily expenditure at home; finally, that these subsistence allowances should in no case be intended to meet any portion of out-of-pocket expenses which may be incurred in entertainment. As regards allowances payable to outside persons who may be called upon to take part temporarily in the work of Committees or Conferences, the Committee decides to fix the normal scale of their allowances at 70 gold francs per diem. If, however, the League has in exceptional cases need of the special services of a particularly distinguished personage, the Council must have full liberty to take appropriate measures in such cases as an exception to the general rule.

The Fourth Committee recommends the establishment of the entertainment fund proposed by the Commission of Enquiry. We consider that there is reason to establish this kind of "pool," which will be administered by one of the officials of the Secretariat specially appointed to ascertain the obligations incumbent, according to the particular case, either upon the officials of the Secretariat or the external members of the various Organisations of the League, and that this official should propose the allocation to the person concerned of such sums as may be considered suitable and charge them to the entertainment fund. The amount of this "pool" should not at the present moment exceed the total of the sums which certain high officials of the League have voluntarily surrendered. In this connection the Committee desires to express its gratitude to these officials for the grace and generosity of their action. It is a matter of course that any officials who may be appointed in the future will draw only the entertainment allowances recommended by the Commission of Enquiry.

The Committee recommends that all Members of the League of Nations should refer to the official especially appointed to administer the entertainment fund, requesting him to take all necessary steps for the accommodation of their representatives and officials, both for meetings of the Assembly and for those of the Committees, etc., in the city where the League has its headquarters; these representatives would be requested to give notice beforehand of their wishes and the approximate prices they would be willing to pay.

(b) *Conditions of Service.*

In accordance with the proposals of the Commission of Enquiry, the Fourth Committee considers it extremely important that definite terms of engagement should be established for the staff without delay and on the model of all great administrations—fixed conditions indicating its rights in concrete form and giving explicit information as to its obligations. Such terms would safeguard the staff from the very natural feeling of insecurity which tends to diminish efficiency by destroying confidence in the future, and to dampen goodwill and devotion to duty. The Fourth Committee urges that this reform should be promptly effected. We fully realise the difficulties involved in the drawing up of detailed regulations and conditions of service which have to apply to a staff of such varied nationalities and occupations.

We must therefore confine ourselves to stating certain principles and to drawing attention to certain recommendations which we consider essential. Beyond that, we consider that the task of working out details should be left to the responsible officials on the condition that they take prompt action.

1. *Selection of the Staff.* - As a result of the exceptional circumstances which governed the creation of the League of Nations, the staff was at first appointed almost exclusively by individual selection by the Secretary-General or by his principal officers acting in his name, in virtue of powers expressly conferred upon him by the Covenant. We have already testified our high appreciation of the quality of the present staff.

This system of recruitment, however, which was the only possible one in the initial period, must be replaced, as a general rule only to be departed from in very special cases where the necessity for such departure can be established, by that of "competitive selection." The Committee recommends that this selection should be carried out in accordance with the principles and according to the method laid down in Articles 42 to 54 of the Commission of Enquiry's Report.

The Committee lay special stress upon the great desirability, especially in regard to the higher administrative posts, of recruiting the staff of both the Secretariat and the International Labour Office as far as possible in equitable proportion from the various States Members of the League. It recommends that this principle should be carefully observed whenever fresh appointments may have to be made in the future, always bearing in mind, however, the necessity of obtaining competent officials.

2. *Promotion.*—The Fourth Committee recognises that the system of grading into classes and promotion within classes, and from one class to another is bound to make for efficiency in the staff. The staff of the Secretariat should have reasonable prospects of promotion.

In this respect the Committee adopts in their entirety the views and suggestions contained in paragraph 43 of the Commission of Enquiry's Report.

3. *Engagement.*—(a) The Committee realises the difficulty of applying the principle of a definite period of engagement in the case of the Secretariat of the League of Nations, in spite of the fact that normally it is strictly necessary in organizations of this nature. Such an application of the principle would, no doubt commend itself to the existing staff, directing or subordinate, but it must not be forgotten that the very nature of the duties incumbent upon the Secretariat—its international character and its universality—prevent it from giving all its officials, without exception, a guarantee of permanent employment.

The Committee, however, is well aware that a guarantee of this kind is one of the surest factors making for the efficiency of any administrative staff, and that a tolerable measure of security is indispensable for the satisfactory accomplishment of the daily task. For this reason, we desire to put an end to the present feeling of uncertainty on the part of the officials of the League of Nations, and we have, therefore, carefully considered to what extent we could suggest that the normal system of long-term engagements should in future be applied.

(b) At present each official has entered into an individual contract with the Secretary-General. The contracts are of varying durations, and are in all cases limited to a maximum of five years. They may, of course, be cancelled for misconduct or inefficiency. They do not include any provisions against sickness or accidents, and do not carry pension or gratuity on retirement.

The Committee considers that it is desirable to class the officials and employees of the Secretariat in three categories, each of which require separate consideration:—

(c) 1. To the *higher official* it does not, in our view, seem possible to give long-term engagements. The international character of the League of Nations, and the legitimate desires of the Member States, render it essential that systematic changes should take place in the higher posts of the Secretariat in order to enable them to be filled by persons of any country whatsoever, who are of recognised importance and widespread influence among their own people, and whose views and sentiments are representative of their national opinion. This principle of frequent changes is essential to make the League a living force among the nations.

On the other hand, there could be no question of depriving the Secretariat of its leaders, just when the experience which they have gained by the study and solution of the various problems with which they may have to deal would be of most value. It is therefore clearly advisable that Members of the higher staff should serve for a sufficiently long period to enable their work to bear fruit, and that they should not be replaced simultaneously.

When this temporary difficulty has been duly met, a maximum period of seven years for members of the higher staff (Secretary-General, Deputy Secretary, Under Secretary-General and Directors) appears to be the correct solution.

In view of the considerable emolument assigned for these higher officers, we do not, in their case, recommend pension or gratuity on retirement.

In exceptional cases these officials may be reappointed.

(d) 2. *Subordinate Staff.*—At the opposite end of the scale is the subordinate staff, which may be divided into two classes: first those who are engaged in the purely manual

duties of any administration (attendants, messengers, charwomen, etc.). It appears reasonable that these persons should be recruited on the spot, which is the cheaper plan. They might be engaged for a definite period and in accordance with special local custom. In our view the second class should include duplicating, steno-graphic staff, etc. This part of the staff should be recruited on the spot, and should also be engaged in accordance with the normal conditions of Swiss administrative services, but provision should be made for promotion to the class above by means of competitive examination.

(c) 3. *Intermediate administrative personnel*.—Under this heading we class personnel whose work entails, in varying degree, intellectual attainments and a knowledge of languages.

Subordinate Staff (Class C).—We have placed in a class by itself (C) shorthand-typists, the subordinate staff of the Publications Department, of the Library and the majority of the staff of the Registry, etc. The specialised work of this personnel and its comparatively limited range do not lend themselves to the application of the rule of frequent changes. Its permanency should be secured under the best conditions possible, nor is there anything to prevent the rigorous application to this class of the three principles stated above, *i.e.*, appointment by competitive examination of a widely international character, annual increments, and long-term of engagement. These engagements might be made for 28 years (four periods of seven years) in cases of exceptional ability, with the possibility of advancement to the next grade (B) in cases of exceptional ability, or of appointment in the course of the 28 years, to staff posts (*i.e.*, heads of administrative departments and their deputies).

This personnel, which would thus be assured of a real career with the League of Nations, should be given the benefit of definite conditions of service, which would include a limited pension scheme and provision for sickness or other disability.

(f) *Members of Section and officers of Equivalent Grades (Classes B and A)*.—These officers perform important duties. Under the direction of the higher staff they carry out all the intellectual and administrative work of the Secretariat. These require high educational qualifications and in the upper ranges demand very considerable capacity and qualities of initiative and resource.

We are of the opinion that the principle of frequent changes should only be applied to members of this grade of the staff—whose duties are of a diplomatic and political nature similar to those of the higher personnel—in cases where permanent officials can be detached from their national administrations for a definite period of service with the League without losing their rights of pension or promotion, or being troubled by doubts, so harmful to good work, as to their careers in their own countries. We recommend that steps should be taken to secure the loan of the services of such officials wherever possible.

(g) The Committee realises, however, that the employment of national officials cannot become the general rule. Moreover, there are certain posts which could not easily be filled by the permanent officials of the National Governments (*e.g.*, Information Section, Technical Experts, Interpreters, etc.), or which would invariably fall to such countries as possess highly organised civil services, a result which would be contrary to the spirit of the League.

There is the further consideration that, if the staff were drawn very largely from national administrations, it might suffer from a tendency on the part of the officials in question to be thinking always of the prospects of advancement in their own countries, and so being tempted to support in certain cases a specifically national, rather than the strictly international, point of view which characterises the League.

(h) For these reasons the Committee has finally adopted a general solution in respect of all persons of the staff belonging to this category, namely, long terms of engagement and no system of rotation.

Individual and specialised experience gained on the spot cannot but be of great value to the League.

(i) The Committee therefore recommends that, as a general rule, arrangements should be entered into for 21 years, fixing 55 as the age limit and dividing this 21 years into three periods of seven years with the bilateral right to terminate the engagement at the end of each of these periods.

N.B.—Consequently, any persons entering the service of the League when over 34 years of age could only be employed up to the age of 55, and any person entering at a lower age will be able to remain 21 years.

Present members of the Secretariat over 45 years of age who may be judged indispensable may be kept up to the age of 60 years.

(j) These provisions will afford sufficient security to members of the staff to enable them to devote themselves to their work without any anxiety as to their future, for only the hope of a definite career will attract them to the service of the League.

At the same time, the vacancies caused by retirement on completion of service, and by the resignations, which may be expected to be fairly frequent in a staff the members of which may at any time desire to return to their own country, should secure sufficient changes of personnel within the different sections of the Secretariat and satisfy the legitimate and natural desires of

the various States to have ample opportunities for sending a fair share of their nationals to the Secretariat.

(k) These are, then, the main lines on which the Committee recommend that the conditions of service of the staff should be drawn up. We understand that the Secretary-General wishes to prepare the conditions of service as soon as possible. We agree that this is most desirable, and we think that the members of the different grades might be asked to submit suggestions for consideration. Without prejudice to the indispensable principle of authority, it is essential that these conditions of service should be drawn up only after a thorough enquiry among the interested parties and that they should be in conformity with the wishes of the Secretariat as a whole.

(l) We consider that, when the conditions of service have been drawn up, the existing members of the staff should be asked to waive their present contracts in so far as they relate to conditions of service and to re-enter under the conditions of the new scheme. It is not, of course, intended to reduce the salary already authorised for any particular officer, unless with his own express consent in cases where a lower scale is laid down for future occupants of the post. It would, however, be well to recall here the generosity of the heads of departments who have spontaneously consented to considerable reductions in their emoluments.

Details of the salaries proposed for the various grades of posts are given in Appendix I. The scales there suggested are based on the assumption that the officials concerned will be called upon to make at least some contribution towards pension in the form of deferred pay.

The Committee has adopted the principle of a pension and deferred pay scheme and has decided that the League should contribute to the fund in a proportion to be determined later. It has further instructed the Salaries Adjustment Committee to prepare a detailed plan in this connection. This Committee will also examine the question whether it should take into account a proposal made suggesting that the fund should be administered by the persons concerned.

The Committee on Salaries will have to submit a report on this subject, which will then be submitted to the next Assembly, after having been communicated to the Members of the League three months before the meeting of the Assembly.

Pending final decision the Committee expresses the hope that the League of Nations will equitably and generously consider any request which may be made to it either as regards pensions, allowances or assistance.

VIII.—FINANCIAL CONTROL.

(a) The Committee considers itself bound by its terms of reference to pay particular attention to the system of control of expenditure which has been established in the Secretariat of the League of Nations. The measures to be taken in this connection fall into five divisions:—

(1) Preparation of the budget and a Commission of Control, (2) Audit, (3) Financial year, (4) Form of the budget, (5) Disposal of balances.

1. *Preparation of the Budget and a Commission of Control.*—(b) In matters of finance the position of the Secretary-General of the League is at the present moment one of some difficulty. The peculiarities of his situation will best be illustrated by recalling the normal financial procedure in a Government Department. The responsible Minister at the head of a spending department has to submit his estimates for amounts of money which he considers he will require to enable him to carry out his policy during the next financial year to the Finance Minister, who conducts the most careful scrutiny into the demands made upon the national exchequer, and only passes such demands as he is prepared to defend in Parliament. In some countries the estimates, in addition, undergo close examination by a budget Committee before they are submitted to Parliament.

Whatever the precise method employed, the principle is the same, namely, that proposals for expenditure shall, before submission to Parliament, first be submitted to a careful scrutiny by a small body capable of giving expert advice, and entirely independent of the body which framed the policy involving the expenditure in question.

(c) In the opinion of the Commission, it cannot, therefore, be considered the most desirable procedure that the Secretary-General should submit his proposals for expenditure to the Council and the Assembly before they have been examined in detail by some such body as that indicated above, which is capable of subjecting them to expert and impartial criticism. It is a serious defect of the system as we find it that the Assembly should be without the benefit of such expert advice, and it is equally embarrassing to the Secretary-General that he should be without the opportunity of justifying his proposals in a more ample manner than is possible under the present system.

(d) We therefore recommend the creation of a Commission of Control consisting of three to five members, one of whom at least should be a special financial expert chosen by the Council at the request of the Assembly from among the various States Members of the League.

It seems desirable that the Members of the League other than those represented on the Council should be represented in this Commission.

The Commission should meet at the seat of the League once a year for the purpose of investigating in detail the budget of the League of Nations for the ensuing financial year. The date of the meeting should be so fixed as to give sufficient time for its report to be circulated to the States Members of the League, at the same time as the budget proposals, to which it would serve as a commentary. The Members of the League would thus be able to study the budget proposals in the light of the expert opinion of the Commission which had studied them on the spot, and would be in a position to instruct accordingly their representatives at the next meeting of the Assembly.

2. *Audit.*—(c) The arrangements proposed above seem to us to satisfy the broad principles which we have enunciated as to the examination of proposed expenditure, but there is another matter of almost equal importance in any financial system.

It is necessary that the Assembly which had voted a budget for certain definite purposes should be in a position to satisfy itself that the money had been applied to those purposes. To attain this end, it is necessary that there should be close co-operation between the Assembly and the persons appointed to carry out the audit. In default of such co-operation, the audit tends to become a formal matter directed to ascertaining whether expenditure is supported by vouchers, rather than to enquiring whether any particular item of expenditure has been duly authorised, and whether the intentions of the Assembly have been properly interpreted.

(f) We therefore recommend that the Commission of Control should, at each session, examine the completed accounts of the League for the past financial year as verified by the Auditors provided for in Articles 8 to 10 of the Assembly Recommendation, dated 17th December 1920, on the administration of the finances of the League of Nations. The preparatory examination would be carried out by the expert official referred to below [(paragraph IX (m))], who should report to the Commission any cases in which expenditure was unsupported by vouchers, and more particularly any case in which expenditure appeared to have been wrongly or irregularly authorised.

It is particularly necessary that this Commission should examine all cases in which a decision of the Financial Director may have been overruled by written directions from the Secretary-General, whether or not acting on instructions from the Council. To attain this end, it will be necessary that the Commission of Control should have power to call upon officers of the Secretariat to appear before them and explain the circumstances attending any exceptional or extraordinary expenditure.

It goes without saying that the control—especially the financial control—of this Commission will at the same time extend to an investigation of the question whether all the rules and administrative or other principles formulated in the present report have been scrupulously observed, and that it will also apply to the International Labour Office.

3. *Submission of the Budget.*—(g) The Committee desires to examine specially, in connection with the financial control, the form in which the budget is to be submitted.

Up to the present the task of the Financial Director in estimating the total expenditure that will be required by the League to meet totally new developments has been one of great difficulty, and it has not been found possible in many cases to make any detailed apportionment of the items of the proposed expenditure of the League under a specific head, *e.g.*, meetings of Conferences. Yet the detailed study of the individual items composing a budget is the only road to economy, and the only method of ensuring proper financial control. Now that the Financial Director has gained so considerable an experience of most of the requirements of the League, on which a detailed estimate can be based, we suggest that the items of the budget should in future be sub-divided more than has hitherto been practicable.

(h) Further, we consider that it is desirable that a full comparison should be given in the budget between the expenditure in the current and forthcoming financial years, as regards not only the total expenditure on each item, but also the numbers of staff employed in each grade and the salary of that grade. In these matters the estimates presented to the British House of Commons would appear to be a suitable model, which might be followed by the League of Nations.

We also consider that the expenses incurred on behalf of the Technical Sections should be grouped together in such a manner as to show the total expenses of each Technical Section on staff, travelling expenses, subsistence allowances, postages, publications, etc., including all expenditure incurred in connection with the Technical Committee and Conference which are served by the Technical Section in question. We have made certain detailed suggestions to the Financial Director, who has been able to prepare the budget for 1922 on these lines, and we are satisfied that the requirements indicated above will be fully met.

(i) We have, moreover, recommended that the staff should be paid in Swiss francs. After very careful consideration of the many issues involved in this intricate problem, we are of the opinion that the gold franc, as being the most stable monetary unit the world over, should be retained as the unit of account for the purpose of assigning contributions. This, of course, will involve expressing the total income and expenditure of the League in gold francs, but it does not follow that the detailed expenditure under the various heads need also be so

shown. If it were, it would be impossible to make any exact comparison. For instance, a fixed annual expenditure of, say, 5,000 francs (Swiss) might give different figures from year to year when expressed in gold francs.

(j) At the present time, the detailed accounts are kept in gold francs, a special officer being required to convert the everyday expenditure in Swiss francs into gold francs at the current rate of exchange.

In our opinion, this procedure is hardly necessary. We recommend that the detailed accounts should be kept in Swiss francs, and that the detailed items in the budget should be shown in Swiss francs. The totals of the votes only should be converted from Swiss francs into gold francs for the purpose of balancing the estimated revenue and expenditure of the League*.

(k) The rate of exchange at which this conversion should be made is a matter of some difficulty. In normal circumstances it should be made at par, and there is considerable force in the contention that this course should be followed even at the present time to avoid any element of exchange speculation. This, however, would at the present time involve the payment of higher contributions from the States Members than they would normally be called upon to make. We consider that the right course is to make the conversion in the budget from year to year at an arbitrary rate, calculated to allow a reasonable margin, and to show the actual results of the conversions effected in an exchange conversion account.

4. *Disposal of Balances.*—The question of the disposal of the balance of revenue over expenditure at the end of the financial year has been brought to our notice. We consider that the course which should be followed in normal times is that such balance should be brought forward into the account of the ensuing financial year, the contributions from the different States Members being reduced accordingly.

The practice hitherto has been that any balance at the end of the financial year has been appropriated to the Working Capital Fund. We see no objection to this procedure, in so far as it has been followed during the early organisation period, but we consider that such appropriations, if made in the future, should first be approved by vote of the Assembly. We consider, further, that if this procedure is to be maintained for the present, it would be desirable that the total of the Working Capital Fund, a part of which, proportionate to its budget, might be at the disposal of the International Labour Office, should be fixed.

A separate Working Capital Account should be annexed to the budget, showing any advances made in respect of over-due contributions, advances made to administrative Commissions, etc., and the reimbursements received in respect of such advances within the past financial year.

IX—ORGANISATION.

(a) As stated at the outset of this report, we have been very favourably impressed by the measure of the success which has so far been achieved in the organisation of the Secretariat, an organisation which has had to be constructed on novel lines in order that it might fitly perform the international duties entrusted to it. It is not necessary for us to emphasise the importance of these duties or the fact that few organisations have ever been called upon at so short notice to undertake a task of such complexity and difficulty.

(b) It appears to us, however, that, while the salaries hitherto paid to what may be called the founders of the new system, have been justified, it should be possible, now that the strain of the initial period of organisation is beginning to pass, to effect certain economies in the staff of the higher personnel, as a result of the experience which has been gained.

After careful consideration of the degree of responsibility which is likely to devolve upon officers of the different grades of the Secretariat, we have come to the conclusion that it should not be necessary to appoint more than one Deputy Secretary-General and one Under Secretary-General to assist the Secretary-General in the work of general control.

It goes without saying that we make this recommendation with regard only to the important economy which would be realised by the suppression of one of the two posts of Under Secretary-General. It is true that we are also of opinion that, from an administrative point of view, a new organisation which included only one Under Secretary-General solely responsible for the interior organisation and permanently employed at the Secretariat would be from the point of view of efficiency, at least as satisfactory as the present organisation.

We have had to consider the question as to whether the organisation of the Secretariat is sufficiently far advanced to allow the reform to be carried out at the first opportunity, in fact immediately. We consider that this is so.

*In the case of the International Office, the Budget and Accounts will be presented to the Secretary-General expressed in Swiss francs only.

Other considerations of considerable weight but of quite a different nature have been brought to our notice, having reference to the important principle that the various nationalities shall, as far as possible, be represented in equitable proportions on the Secretariat and above all, amongst the Directors.

We felt that, under our terms of reference, we were bound to regard the question entirely from the economic and administrative points of view; and have declared ourselves in favour of the immediate realisation of a reform which circumstances have now rendered possible.

(c) It appears to us that the functions of the Secretary-General and of his Deputy may, broadly speaking, be defined as comprising:—

- (1) The general direction of the work of all the sections in so far as policy and the taking of decisions upon important questions of principle are concerned.
- (2) Close personal contact with the Assembly and with the Members of the Commissions and Conferences meeting under the auspices of the League. These meetings are, of course, the very life of the League. Without them the Secretariat would be a mere engine without impulse thrashing chaff in the void. The primary duty of the Secretary-General as representative of the Secretariat is therefore to centralise and co-ordinate its efforts, to keep all the Committees and Conferences in mind of the general policy of the League, and thus help them to arrive at decisions which are in harmony with the lofty aims of which the League is the conscious expression.
- (3) The maintenance of close relations with the important political centres of the world—a duty which, as we have already said, involves, at any rate in so far as Europe is concerned, frequent and prolonged absences from the seat of the League.

(d) It appears to us that the Secretary-General and his Deputy have hitherto in an excessive degree been over-burdened with questions of interior organisation, discipline and routine, which have involved, *inter alia*, in the case of the Secretary-General, his almost continuous presence at the Headquarters of the League, and that it is essential in the general interests of the League that they should be relieved as far as possible from all responsibilities of this nature.

(e) We therefore suggest that all headquarters routine business should, subject to the final approval of the Secretary-General, be assigned to the Under Secretary-General. The latter would thus be placed in permanent charge of all matters connected with interior organisation and finance, discipline, staff questions and routine. He would also supervise those sections which properly belong to what may be called the machinery of the Secretariat and concern its working as a whole, as, for instance, the service of the translation, preparation and publication of documents, and the service of distribution.

This would leave the Secretary-General and his Deputy free to concentrate all the reins of policy in their hands, to supervise the work of the Directors, while leaving to the latter a large initiative so far as the administration of their various departments is concerned.

(f) The Secretariat might thus be grouped into a series of international organisations, established in accordance with the terms of various Articles of the Covenant, each driving wheel, as it were, of the machine being responsible to its own Commission or Conference and to the Secretary-General; preparing its own budget, after consultation with the Secretary-General and the Committee concerned, for submission by him to the Council and the Assembly, on the understanding, of course, that the regulations and scales of pay for their staff would follow the general lines prescribed for the Secretariat as a whole.

(g) The Technical Committees and Conferences would thus correspond in miniature to the Council and Assembly of the League itself. Each of the Technical Sections would become a small Secretariat under a Director with semi-independent functions working in connection with his own Committee, and preparing the full working material for his own Conferences under the general directions of the Secretary-General and using the general machinery of the Secretariat.

(h) We suggest, for instance, that these Sections or sub-Secretariats might be organised as follows:—

- (1) Section of the Economic and Financial Commission;
- (2) Transit Section;
- (3) Section of Public Health, which would be responsible for all social questions and for the proposed international legislation for the control of the Traffic in Opium and other dangerous Drugs;
- (4) Political Section;
- (5) Section of the Administrative Commissions and Minorities and Mandates, that is, a combination under one Director of the work at present done by two separate Sections;
- (6) Press Section.

Should the Council see fit to retain a seventh Director for the time being, it would have the right to do so. To the Sections we would add a *Legal Adviser's Branch*, which, in addition to giving legal advice to the Secretariat as a whole, would act as a channel of communication between the Secretariat and the newly-constituted Court of International Justice.

(2) We have given much attention to the number of officers of the grade of Director shown upon the present establishment, and to the rate of salary now paid to these officers. The present rate is a high one, even allowing for the ultimate reduction which we propose, as shown in Appendix I, and we feel some doubt as to whether it should eventually be necessary to retain the present number of officials paid at this rate. If the above proposals are adopted, we wish it to be understood that the scale of salary which we recommend for Directors is suggested only on the understanding that the number of Directors will not ultimately exceed six, unless new developments take place justifying an increase in the number.

(3) It will be seen from Annex 1 that we have recommended the creation of a new grade, that of Chief of Section. This grade is intended to provide for the case where there is work of considerable importance to be undertaken which would normally be assigned to a Director if he were available to take charge of it, but where, because of its temporary character, or for other reasons, although an official with special technical qualifications is needed, the services of a Director are not required.

(4) We have not thought it advisable to give any precise indication of the number of the Chiefs of Section or of the proportion of the more costly Members of Section, Class A, to the less costly Members of Section, Class B, nor do we think that it will ever be possible to do so. The work of the Secretariat will undergo constant change; while some branches of its activity may be temporarily on the increase, other branches may be expected to bring their work to a conclusion within a definite limit of time, with the result that the staff required in these branches may at any time be reduced or altogether dispensed with, those who are members of the permanent staff being transferred to other branches. But it is obvious that if the establishment showed a number of the more highly paid posts out of all proportion to the lower, the scales which we propose would not make for economical administration. We therefore insist that, in preparing his budget for any given year, the Secretary-General must bear constantly in mind the necessity for economy and recommend only such promotions to the higher ranks as are really required in the interests of the work*.

(5) *Work of the Sections.*—We have examined the statements and proposals of the Commission of Experts as to the conditions under which the work of each Section is carried out.

As regards the Library, the Registry, the Publications and Information Sections, the subordinate services, the supplies and furniture, and the restaurant, we are in full agreement with the Commission of Enquiry, and we venture to draw the attention of the Assembly to those parts of the report of that Commission which deal with the six questions concerned (pages 23-26 and 64-67, paragraphs 85, 86 87, 92, 93, 95, 96, 97, 100).

We propose that the Assembly should, like ourselves, declare its agreement with the proposals and recommendations included in these nine paragraphs.

(6) We consider that particular stress should be laid upon the Financial Director's Department.

The Secretariat possesses a currency conversion officer. The changes which we have recommended as to the payment of salaries in Swiss francs and the keeping of the accounts of the League in the same currency permits a saving to be effected by the suppression of this post.

The Appropriation Officer is responsible for insuring that proper provision exists in the budget, in the form of corresponding credits, for each payment, before payment is actually made by the accountant.

We understand that the purpose for which this post was created was to ensure that expenditure was in complete conformity with the provision made in the budget: we consider that this post should be maintained, but, as a consequence of the creation of the Commission of Control, it is clear that in future this officer will receive his instructions from the Commission of Control, and will be responsible to it for any expenses incurred without vouchers or without authorisation.

With regard to the organisation of work, we think that it would be advisable in the near future to organise the routine work of the Finance Section into three sub-sections corresponding to the technical organisations, the Establishment Section and the Printing and Publications Section respectively. The accountant of each sub-section, who would be responsible for checking all bills before payment and for the preparation of salary-lists and cheques, would also collaborate in the compilation of the budget estimates for their respective sub-sections.

*It is hardly necessary to state that the same observations apply to the International Labour Office. The scales proposed for the Chiefs of Division of the International Labour Office are lower than those suggested for the Directors of the Secretariat. These scales have been proposed advisedly, and it follows that the same sparing use for Chiefs of Section should be made in that Office as is recommended in the Secretariat.

We consider that the present procedure of closing accounts at the end of the financial year, and paying outstanding bills out of similar appropriations for the following year, should be continued; arrangements should, however, be made to secure that orders for payments outstanding for three months should lapse automatically. A special form for orders for payments would be sufficient for this purpose. Such a system would facilitate and hasten settlement of accounts.

(n) We consider that it might be desirable, in accordance with the recommendation of the Commission of Enquiry, to combine the work of the Translators and Interpreters Section with that of the Precis-writing Department. This would result in giving the staff of the combined section more variety in their work and would also provide greater elasticity especially at times of pressure. We desire to place on record a statement, which is purely objective, since it is not within our competence to alter the Covenant, that at least one-third of the internal expenditure of the League arises from the compulsory use, prescribed by the Covenant, of the two languages French and English in all official documents.

This statement is not without value in view of the hypothesis that the employment of another language, natural or artificial, is said to be contemplated in some quarters.

(o) A very interesting observation on the part of the British Delegate has drawn the attention of the Committee—which in its turn feels bound to draw the attention of the Assembly—to the differences, sometimes considerable, existing between the French and English texts of documents furnished by the Secretariat. This difference is particularly marked in the provisional verbatim records of the meetings of the Assembly and of the Committees. The explanation of these differences is clearly to be found in the speed with which the Secretariat is compelled to satisfy the demands of journalists for information.

It was suggested, at the Committee, for example, that for next Assembly the procedure adopted in certain Parliaments might be followed with advantage, especially the rapid publication of an analytical verbatim record, followed at 24 or even 48 hours' interval by the stenographers' report of the debates after the proofs had been corrected by those interested in the matter in hand.

We wish, in any case, to draw the attention of the Secretariat to the necessity for obtaining closer agreement of the English and French texts of all documents furnished by it.

(p) As regards the employment of women in the services of the League, we recognise the justice of the rule laid down in the Covenant that all positions under or in connection with the League shall be open equally to men and women.

We would only wish to draw attention to the difficulties which might arise from the employment of husbands and wives, at least in the same branch of the office.

We welcome the appointment already made of two ladies of proved experience, who may be consulted by the Secretariat on women's questions generally, especially on matters of discipline, and questions of health, morals and welfare.

Vague proposals have been made to the effect that women employed should be compelled to wear a uniform, or at least to dress in dark colours.

A rule of such unpleasant severity seems veritably uncalled for and ill-timed, for the radiant charm of a discreet elegance as displayed in feminine attire creates an atmosphere which is wholly delightful and is far from impairing the quality of the work undertaken in common.

(q) As regards the hours of work and leave, we recommend that the working week should be 42 hours a week with a half-holiday on Saturday when the state of work permits.

Whenever possible, time in lieu should be given to the subordinate staff as compensation for overtime, and overtime should not be claimable except for an attendance which exceeds 44 hours a week.

We recommend that an attendance book should be kept for officials of all ranks without exception.

Sick leave on full pay, and after the expiration of a certain period on half pay, should be granted to the staff under regulations similar to those generally in force in public administrations. We are satisfied with the rules already in force with regard to regular leave.

It has been brought to the notice of the Committee that existing regulations concerning leave demand that officials proceeding on annual leave should do so at their own expense. We consider that we should be justified in recommending that the Assembly might fairly confer on the staff the privilege, which would be much appreciated, and relatively inexpensive, of one journey home a year at the cost of the League: provided that this advantage should not be conferred upon members of the staff who have the opportunity during their regular service, and at the expense of the League, of returning home during the current financial year and to spend their normal period of leave there.

Outside the limits of Europe, it would probably be necessary, owing to the far greater cost involved, to give this privilege only once in every two, or, in the case of the most distant countries, every three years. Apart from the fact that it is obviously desirable that members of an international staff should be encouraged to keep in touch with their own nationals, the privilege

of returning home at least once a year would have certain advantages in view of the high cost of living in Geneva, which has often been impressed upon us. In particular, it would enable members of the staff to buy their clothing and personal necessities in their countries of origin. This would relieve them of the necessity of purchasing such articles in Switzerland at prices which are said to be higher than those in their own countries.

PART II—INTERNATIONAL LABOUR OFFICE.

I—GENERAL OBSERVATIONS.

In Part I of this Report we have made certain observations of a general nature which apply to the International Labour Office no less than to the Secretariat.

But there are certain adaptations and modifications in respect of their specific applications to the International Labour Office which now require to be stated.

Before submitting these considerations which refer especially to the International Labour Office, we venture to draw attention to paragraphs 104—111 (pages 27 and 28, 68 and 69) of the Commission of Enquiry Report, in which are summarised the principles of the International Labour Organisation and of its three divisions : the General Conference, the Governing Body, and the International Labour Office.

Generally speaking, we prefer the observations, for the most part of a favourable nature, made by the Committee of Enquiry with regard to the lines upon which the International Labour Office has, up to the present, been conducted.

We agree that attention should be drawn to the dangers which accompany any excessive diffusion of energy and to the fact that it is essential for the International Labour Office, in its own interests and for its own welfare, to maintain the objective impartiality which is the only reasonable standpoint of an organism whose principal, if not sole, duty lies in the accumulation of the most complete, definite and universal information on all labour questions. It is fair, however, to state that the Commission are fully satisfied that the International Labour Office has hitherto made every endeavour to confine its enquiries and activities within the proper limits, and, above all, to keep in close touch with the Secretariat and the various technical organisations that have been set up in the League of Nations. It seems clearly desirable that the International Labour Office should adhere to this line of conduct.

By reason of the fact that its duties are clearly marked and their application well defined, the organisation of the International Labour Office has been able to be carried out with greater speed and facility than that of the Secretariat, which had to deal with a great number of different subjects, ranging from questions of the most technical nature to political problems of the widest kind.

The duties of the International Labour Office, as understood and carried out by it, can be defined broadly as follows ; the collection of accurate information and statistics about labour problems on an international basis ; the preparation of detailed material which shall lead up to the International Labour Conventions and the following up of the application of the International Conventions by the various national legislatures.

It is only fair to recognise that the International Labour Office has, in a short period, been able to attain a high state of organisation and efficiency.

We have noted the observations contained in the Report of the Commission of Enquiry to the effect that the staff is able, hard-working and enthusiastic, and that, inspired by the overflowing energy and remarkable personal magnetism of their distinguished Director, and recruited with the greatest care, they possess to an unusual degree—whether in the administrative or in the more highly specialised sections—the qualities required.

II—STAFF.

(a) *Recruitment and Conditions of Service.*—We are of the opinion that, generally speaking, the decisions which were formerly arrived at, as regards the conditions of service and recruitment of the Secretariat, can be applied also to the International Labour Office. They may be summarised as follows : The posts of Director and Deputy Director should be filled by appointments from outside the office ; the subordinate personnel should be recruited locally : the staff of the intermediate grades should be recruited internationally, and should be given long-term engagements. Proportional representation, as far as possible, of the different nationalities on the staff of the International Labour Office is of the greatest importance. Efficiency should, however, be the prior consideration, since the staff must be highly trained and specialised in all questions with which it has to deal before being able to attain the maximum efficiency.

As regards the method of recruitment, the general principles recommended for the Secretariat may be applied with advantage to the International Labour Office.

(b) *Salaries.*—The general observations which we have made relating to the salaries of the staff of the Secretariat may be taken as holding good in the case of the International Labour Office with certain qualifications. We recommend that the scale of salaries in Annex 1 should be adopted for this staff.

The Committee has, however, decided to refer to the Salaries Adjustment Committee the question of whether an intermediate scale of salaries should be fixed, as the International Labour Office proposes.

(c) *Subsistence Allowances and Frais de Représentation*.—We consider that the rates recommended for adoption in the Secretariat, and set out in Annex 3, should also be adopted for the officials of the International Labour Office.

We would also recommend that the question of the *Frais de Représentation* should be taken up and decision arrived at on the lines laid down in paragraphs 37 and 39 of the Report of the Committee of Enquiry.

III—FINANCIAL CONTROL.

We consider that the principles underlying the arrangements which have been proposed in Part I of this Report, as to the control of expenditure of the Secretariat, should apply equally in the case of the International Labour Office.

In submitting this view, we have taken into full consideration those articles of the Treaties which have some reference to the financial control of the International Labour Office. We consider, however, that it is essential that the Assembly, which is called upon to vote the funds required for the support of the International Labour Office equally with the funds for the support of the League as a whole, should be afforded the same opportunities of controlling the expenditure proposed by the Governing Body of the International Labour Office as we have suggested should be afforded in the case of expenditure of the Secretariat of the League. Owing to the constitution of the International Labour Office, it may, however, be necessary to make certain modifications in the procedure to be adopted.

The present procedure is as follows: The budget of the International Labour Office is first submitted by the Director to the Finance Committee of the Governing Body: and, after approval by the Governing Body as a whole, is transmitted to the Secretary-General of the League for inclusion in the general budget of the League.

It might be objected to the proposal that the budget of the International Labour Office should be discussed again *de novo* by the Commission of Control, that, as 12 Governments have official representatives on the Governing Body, the Governments of the States Members have already had some opportunity, through the agency of their official representatives, of criticising the budget proposals.

This objection, however, seems to us to impose an altogether unfair responsibility on the official representatives of the Governing Body who may be selected primarily for their experience in labour matters and not as financial critics.

Nor does it provide for any adequate criticism by representatives of the Assembly.

We suggest that the position of the Governing Body of the International Labour Office in regard to finances would be more amply safeguarded if four of its members were appointed to meet the Commission of Control to discuss and explain the budget proposals for the ensuing financial year and also to appear before the Fourth Assembly Committee. Two of these representatives should be chosen from among the Government representatives, one from the employers' and one from the workers' representatives. In addition, it might be left to the Governing Body, if they thought fit, to ask that the Director or his Deputy should be allowed to accompany this body as an additional member. We suggest that it would be advantageous that one of these representatives, appointed by the Governing Body, should be accorded the privilege of appearing in the Assembly when the Budget of the International Labour Office is discussed by that body since the discussion of proposed expenditure is bound to be unfruitful unless accredited representatives of the responsible authorities are afforded this opportunity of defending their proposals in person.

Consequently, we propose that the Governing Body of the International Labour Office may send one representative to the Assembly when the budget of the International Labour Office is discussed. This representative, selected by the Governing Body, may speak in the Assembly at the President's invitation, in an advisory capacity. The representative this year will be the *Rapporteur* for the budget or the President of the Governing Body.

We consider that the arrangement proposed for the audit of the completed accounts of the League should apply to the International Labour Office without modification.

IV—ORGANISATION.

We have already given reasons why the task of building up the organisation of the International Labour Office has been in some respects easier than the corresponding task as regards the Secretariat.

We do not, however, wish this observation to be allowed to detract in any way from our opinion that the organisation of the Office has been brought to a very high state of efficiency—a fact which will cause no surprise to those who recall the past triumphs of the present Director in the field of organisation.

The Director has received very able assistance in the matter of organisation from the Deputy Director, who is responsible for the control and arrangement of the internal services of the Office.

We have no criticism to make of the manner in which the accounts are kept, or of the general financial arrangements, except that we would suggest that rather more detail might be given in the budget on the general lines indicated in Part I of this Report.

Offices of the International Labour Office.—We have been informed that the International Labour Office has contemplated the possible purchase of the building which it at present occupies.

We have requested that a Sub-Committee should be appointed to enquire into this matter and to express an opinion upon it.

The results of this enquiry, which are fully accepted by the Fourth Committee, are as follows :—

(1) It is not desirable that the International Labour Office should take any steps in the matter of purchase until a definite decision has been reached with regard to the permanent adoption of Geneva as the seat of the League. It is to be hoped that this decision will be reached before next Assembly.

(2) It is clearly desirable that the International Labour Office should own the building which it occupies in whatever city is chosen as the permanent seat of the League.

(3) In the meantime it is preferable to lease the buildings.

(4) The Governing Body of the International Labour Office should be authorised to expend, during the next 12 months, a sum not exceeding 10,000 or 12,000 Swiss francs for the purpose of renting a building in the neighbourhood of the building now occupied and of carrying out certain improvements and alterations.

Organisation of Sections.—In accordance with our terms of reference, we propose to make certain observations on the organisation of the different Sections of the Office, but these observations refer, in general, more to the lines of the future development of the Office than to any specific alteration which might be immediately undertaken.

(a) *Cabinet.*—The cabinet system has made it possible for a very high degree of centralisation to be carried out in the administrative work of the Office. Without that system the Director could not have kept himself informed of the many important phases of development in the work of the Office as it grew up, nor would he have been able to maintain direct and personal touch with Governments and important organisations throughout the world. There is no doubt, therefore, that this highly centralised system has been helpful in the organisation period of the International Labour Office. It is, however, undeniable that the cabinet system is bound to diminish, to some considerable extent, the responsibility of the Chiefs of Divisions.

We would like to record our opinion that it may be desirable at some future date, when the work of the International Labour Office has attained greater stability than at present, and when the need for centralisation is less urgent, to give increased responsibility to heads of Divisions with advantage to the general working of the Office.

(b) *Allocation of Work to three Divisions.*—At present there are two main Divisions, exclusive of the central services, which are under the special charge of the Deputy-Director—the Diplomatic and the Scientific Divisions.

Before making such observations as occur to us on the work of these Divisions, we would suggest that the co-ordination between these Divisions and Technical Sections is not sufficiently close if considered as a permanent form of organisation. Concentration is not necessarily centralisation, and we suggest that, as opportunity occurs, every effort should be made to attach the work of the Technical Sections more definitely to that of the Divisions. Such a development would seem to indicate that the main work of the Office should be re-grouped into three Divisions, each under a head of Division.

The first would deal with the diplomatic work, *viz.*, the execution of the decisions of the annual conference, and of the commissions arising out of that conference, as also with International Conventions and the task of carrying on negotiations with the various Governments and preparation of work for future conferences.

The second Division would deal with Research, and it would be in this Division that the majority of the Technical Section would be incorporated, the work of the Division being generally to undertake the technical preparation required for the work of the Diplomatic and Publications Divisions.

We think it would be desirable to constitute a third Division for the publication work now assigned to the Scientific Division.

(c) *Technical Sections.*—In the preceding paragraph the Committee has suggested attaching certain technical sections to the Scientific Division, while other technical sections would be attached to the present Diplomatic Division.

The only general observation which the Committee wishes to make about the work of this Section is that it considers it of great importance that the practical end in view should be constantly borne in mind.

Although the method of work employed by the staff of the suggested Research Division would be analogous to that of a research worker, it would suggest that out of the almost limitless field for possible enquiries the International Labour Office should, in these early stages of its

formation, prefer enquiries on such subjects as are likely to lead to legislation within the next few years to what might be termed "sounding" enquiries of a general nature, however tempting such researches may be to the general study of industrial and labour problems, and whatever interest they may have possessed in the past from an ideal point of view. The Committee notes with satisfaction that the policy of the Governing Body and of the Director of the International Labour Office has generally conformed to this principle.

(d) *Scientific Division*.—We have suggested above that the work at present performed in the Scientific Division might be divided into two parts.

One part would be assigned to a new Research Division to which the Technical Sections would be attached, while the other would be assigned to the Publications and Intelligence Division devoted to the collection and dissemination of intelligence and to producing the publications of the Office.

To this Division we should also assign the record of labour legislation, the Library and the very important work of the Statistical Section. The latter section is at present understaffed and the Committee considers that it might usefully be strengthened.

The collection of information is for the double purpose of keeping the staff of the Office informed of events which affect their work as a whole, and of collating material concerning labour questions—a task of international interest. This function of the International Labour Office is prescribed by Article 396 of the Treaty of Versailles.

The Committee considers, however, that steps should be taken to ensure that the collection of information and the compilation of statistics shall be carried out in close co-operation with the national Governments.

Most of the Labour Ministries of the world now include an Intelligence Section, which studies labour questions abroad. There would thus seem to be a promising field for economy if the national Government Offices concerned could rely on the International Labour Office for all information and statistics relating to labour questions in countries other than their own, and confine their researches to the national aspect only of such questions.

The information thus supplied by the national Government would be codified by the International Labour Office, which in this manner would serve as a clearing-house of intelligence and statistics and relieve the national Governments of the difficult task of collecting information regarding the conditions prevailing in foreign countries.

The Committee appreciates the great importance of the work which the International Labour Office is undertaking in the establishment of a uniform system for the preparation and compilation of statistics. It considers that the relations established in this respect with the Economic and Financial Section of the Secretariat should become closer. The functions of the International Labour Office in this respect should, therefore, be limited to matters of industrial as distinguished from economic interest.

(e) *Daily Intelligence*.—The attention of the Committee has been called to the *Bulletin* printed daily in the International Labour Office and circulated by post throughout the world. It has ascertained that the cost of printing and publishing this *Bulletin* alone, not including the cost of postage, amounts to no less than 120,000 gold francs a year. It considers that the *Bulletin* is scarcely useful enough to justify an expenditure on this scale.

It would recommend that its publication, apart from Conference periods, should be normally limited to a weekly or a bi-weekly issue, considering that the information supplied therein is not of such importance that it need be published every day. Among other advantages this would permit of the contract for printing being placed elsewhere than at Geneva, for instance at Lyons, where printing rates are lower.

In view of the length of time before the *Daily Intelligence* is received by its readers—particularly in the more distant countries—the Commission would suggest that its contents should be limited to matters of permanent international interest, and should not deal with current events of an evanescent character, which the Press is certain to bring to the notice of the general public and of persons specially interested.

(f) *Library*.—The International Labour Office has, in the opinion of the Commission, done well to purchase the Library of the International Labour Association of Basle. It thinks it is clearly right that the International Labour Office should carry on the work of the Basle Library, and gradually build up a collection of literature on subjects affecting the work of the Office, and it has no fault to find with the choice of books bought. It is, however, essential that great care should be exercised to avoid overlapping with the Library of the Secretariat. The Committee, however, is inclined to think that the organisation of the Library has been framed on rather too ambitious a scale. When once the task of cataloguing the Basle Library has been completed, it should be possible to effect reductions in the staff of the Library, which at present numbers 14.

In connection with the observations on the organisation of the work of the various sections of the International Labour Office, the Committee is of opinion that the Director would be left some latitude in the application of proposals dealing merely with points of detail.

Finally, the Fourth Committee has paid the Commission of Enquiry the most valuable tribute it could hope for by adopting almost all its suggestions.

The President of the Commission of Experts ventures to thank the Fourth Committee on his own behalf, on that of his Colleagues and especially on behalf of Colonel Johnson, whose personal labours were a decisive factor in the achievement of a fruitful and efficient work.

The Fourth Committee has doubtless suggested many reforms, from which it expects, together with an appreciable reduction in expenditure, results at least as great and even greater than in the past from the work of the two principal organisations of the League.

In conclusion the Committee would, however, repeat what it said at the beginning of this report, that the League of Nations should, on the whole, be very grateful for the work already done and the results obtained by the staff of its Secretariat and especially by its higher officers.

SUMMARY OF SPECIFIC DECISIONS TAKEN BY COMMITTEE NO. 4.

1st Meeting.—Nothing.

2nd Meeting.—The Committee agreed that the question of the cost of living in Geneva should be referred to the Salaries Adjustment Committee mentioned in the Report of the Committee of Experts, the question of the seat of the League being expressly excepted from this reference.

“Considering that the question of the seat of the League is not governed exclusively by financial considerations, the Committee, in taking note of the opinion expressed in the Report of the Committee of Experts regarding the cost of living in Geneva, which is referred to a special Committee for investigation, leaves the question of the seat of the League to be considered elsewhere.”

3rd Meeting.—Any recommendations by this Committee (Salaries Adjustment Committee), must be submitted to the Council (or, in the case of the International Labour Office, to the Governing Body) for their approval before they are put into effect. These conclusions must, however, conform to the budget formally voted by the Assembly.

The Committee agreed to fix a formal rate of 70 gold francs per day for the members of fixed Committees, such as the Financial Committee, which assembled at Geneva or elsewhere periodically to give their assistance to the League. If, for some purpose, the League required the special services of some eminent person, the Council should have liberty to make special arrangements.

4th Meeting.—The total of this fund (Entertainment Fund) should not exceed the total amount of entertainment allowance surrendered by the higher officials of the League.

The Committee recommends that all members of the League should entrust the reservation of accommodation for their representatives and officials visiting Geneva, to the expert official referred to in paragraph 38 of the Report of the Committee of Experts, informing him in good time of the accommodation required, and of the approximate price they are prepared to pay.

It is exceedingly desirable, especially in the higher administrative positions, that the Secretariat of the League of Nations and of the International Labour Office should, as far as possible, be recruited in fair proportion from the various States Members of the League, and that this principle should be carefully borne in mind in filling future vacancies, regard being always had to the requirements of efficiency.

5th Meeting.—These officials (Directors) may, in exceptional cases, be reappointed.

The Committee agreed to maintain the period of engagement at 21 years, as recommended by the Committee of Experts, but agreed to fix the age-limit at 55 years instead of at 50 years. No official could remain in the service of the League more than 21 years or after reaching the age of 55 years.

The Committee adopted the principle of a deferred pay scheme.

The Committee agreed to refer to the Salaries Adjustment Committee the elaboration of the details of this scheme. This Committee would decide whether or no it would adopt the proposal that the Pension Fund should be worked under the management of the parties concerned. The Committee agreed to instruct the Salaries Adjustment Committee to prepare a report on the question for submission to the next Assembly, such report being distributed to the States Members of the League three months before the date of the next Assembly.

6th Meeting.—The Committee agreed to adopt paragraph 42 of the Report of the Committee of Experts relative to the recruitment of staff, with the following modification: The words “recruitment by open competitive examination” should be replaced by the words “recruitment in conformity with the principles laid down in Articles 42 to 54 of the present report.”

The Committee agreed to insert in Article 59 of the Report of the Committee of Experts, after the words “the Council,” the words “at the request of the Assembly,” and to stipulate that at least one of the Members of the Commission of Control should be a financial expert.

The Committee further agreed not to recommend the appointment of a special financial expert.

7th Meeting—The Committee agreed to maintain the existing financial year.

The Committee agreed to recommend the principle of the fixation of a maximum of working capital fund and to adopt the recommendations, in the Report of the Committee of Experts, that payments to the reserve fund should only be made with the express approval of the Assembly.

The Committee recommended that the Labour Office should participate proportionally in the working capital fund.

8th Meeting. The Committee adopted the recommendations of the Committee of Experts that the number of Under Secretaries-General should be reduced to one, and the number of Directors to six, on the understanding that this number could be increased to seven with the approval of the Council.

The Committee agreed to recommend that the Appropriation Officer mentioned in Article 89 of the Report of the Committee of Experts should receive his instructions from and report to the Commission of Control, and to amend in this sense the paragraph in question.

The Committee agreed to recommend the establishment of an Office in Latin America.

The Committee recommended that in future the provisional Verbatim Record of the proceedings of the Assembly should be revised by one or two experts before being published, so as to avoid obvious divergencies between the English and French texts.

9th Meeting.—The Committee agreed to refer to the Salaries Adjustment Committee the question of the desirability of creating, as proposed by the International Labour Office, an intermediate scale of salaries.

The Committee agreed that, during the discussion of the budget in the Assembly, the Labour Office could, on the invitation of the President and with the approval of the Assembly, be represented by one person, but that the four members of the Governing Body referred to in the Report of the Committee of Experts should be empowered to appear before the Fourth Committee and before the Commission of Control.

The Committee agreed, in accordance with the report of the sub-Committee appointed for that purpose, not to recommend the purchase of the building occupied by the International Labour Office.

Annex I.—Rates of salary proposed.

The following are the rates of salary which the Committee recommend should be adopted for future appointments to the Secretariat and to the International Labour Office. It should be understood that these rates have been suggested by the Commission, having regard to the present cost of living in Geneva, and that they should be reviewed, in the manner indicated in Annex II, should the cost of living fall or rise to any considerable degree.

	Increase, Minimum. Annual. Maximum.		
	Swiss Francs.		
Directors (Secretariat only)	41,000	2,500	53,000
Chiefs of Divisions (International Labour Office only) .	38,500	2,000	47,000
Chiefs of Sections	28,000	1,000	33,000
Members of Sections—			
(1) Class A	19,000	800	28,000
(2) Class B	13,700	800	19,000
Senior Clerical Assistants and Secretary Shorthand-Typists	8,700	250	11,250
Bilingual Shorthand-Typists	7,500	250	10,000
Clerical Assistants	7,000	200	9,500
Copying Typists (locally recruited)	(See recommendations of I. L. O.)		

The Committee wish it to be distinctly understood that they consider that the salaries which are now being paid in many cases in excess of those suggested by them above are justified, having regard to the necessity for recruiting especially well-qualified personnel in the organisation period. They are, however, of the opinion that, as soon as normal conditions of work prevail, it should be possible to obtain personnel of the requisite calibre at the rates suggested.

There are certain posts which are not included in the general grading of the Secretariat, as to which the Commission would like to suggest that the appropriate salaries on the occurrence of vacancies should be as follows :—

I. Head of the Interpreters and Translators Department.	} These posts might be graded equivalent to those of Members of Sections, Class A.	
II. Establishment Officer.		
III. Head of Précis-Writing Department.		
IV. Head of Registry	} This post might be graded with a special scale of salary of 20,000 Swiss francs, rising by 500 annually to 25,000.	
V. Librarian		
	} The holders of this post might receive a special salary of 20,000 Swiss francs. The two chief assistants in the Library should receive salaries on the scale 13,750 by 300 to 16,250 Swiss francs annually.	

It was decided to refer to the Salaries Adjustment Committee the question whether a new class of Précis-writers, with a salary from 11,250 to 13,000 Swiss francs, should be introduced into this scale for the International Labour Office only.

Annex II.—Variations in Salary in accordance with Cost of Living.

I.—Method of Calculating Variable Portion of Salaries.

Total Salary.	Method of Calculating Variable Portion.
Below 7,000 Swiss francs	55 per cent. fixed, 45 per cent. variable.
7,000	3,850 fixed, 3,150 variable.
7,001—8,000	3,150 of first 7,000 + 15 per cent. of salary above that point is variable.
8,000	4,700 fixed, 3,300 variable.
8,001 and above	3,300 of the first 8,000 + 10 per cent. of salary above that point is variable.

II.—Ready Reckoner.

Total Salary.	Fixed Portion.	Variable Portion.	Total Salary..	Fixed Portion.	Variable Portion.
Swiss francs.	Swiss francs.	Swiss francs.	Swiss francs.	Swiss francs.	Swiss francs.
7,000	3,850	3,150	18,000	13,700	4,800
8,000	4,700	3,300	19,000	14,600	4,400
9,000	5,600	3,400	20,000	15,500	4,500
10,000	6,500	3,500	25,000	20,000	5,000
11,000	7,400	3,600	30,000	24,500	5,500
12,000	8,300	3,700	35,000	29,000	6,000
13,000	9,200	3,800	40,000	33,500	6,500
14,000	10,100	3,900	45,000	38,000	7,000
15,000	11,100	4,000	50,000	42,500	7,500
16,000	11,900	4,100	55,000	47,000	8,000
17,000	12,800	4,200			

The general principles underlying these tables are as follows :

(1) It is clear that, other things being equal, the smaller the amount of salary received the greater is the proportion of that salary which must be expended on the necessities of life ; and that, on the other hand, the larger the salary received the greater is the portion of that salary which is available to meet outgoings other than in respect of necessities, and that these outgoings, in so far as they represent savings, are less affected by temporary variations in the cost of necessities of life. To the extent that they represent luxury expenditure, the spenders have more opportunity for economies than those who are in receipt of low salaries.

(2) We have, therefore, to suggest some system by which the lower ranges of salaries shall vary in a more direct relation to the variations in the cost of living than the higher salaries. This principle applies, of course, with equal force, whether the cost of living rises or falls.

(3) It is clear from the above that, as the salaries at present paid to the staff, and those recommended by the Commission to be paid, are admittedly based on the existing position with regard to prices, the present scales for the lower grades contain a large proportion of compensation for the present normal cost of living than those for the higher grades.

The system which is usually followed in England and elsewhere is to make percentage additions to the 1914 standard of remuneration, which are proportionately higher in respect of the lower salaries. But in the present case two important factors necessary to work out calculations on this basis are missing :—

(a) It is impossible to conjecture what the 1914 standard of remuneration for the League would have been, as the League did not exist at that date.

- (b) We have no reliable figures to hand as to the 1914 cost of living in Geneva as compared with the cost at the present time. The statistics which have been presented to us compare only the cost of living in Geneva and London at the time of the removal of the headquarters of the League. It will be the task of the Salaries Adjustment Committee to compare the cost of living in Geneva at various times.

The element of expatriation, which has formed so large an element in arriving at the existing salaries, presents another factor difficult to estimate.

It therefore seems best to take as our starting point the rates of remuneration shown in Annex I, which have been arrived at after taking into full consideration, *inter alia*, the present high cost of living. The method which we propose is that the present salaries should be divided into two parts, of which one part should be fixed, while the other part should vary in exact relation with the variation in the cost of living as ascertained by the Salaries Adjustment Committee. For the reasons given above, the amount of variable salary must be proportionately greater in the lower than in the higher grades, and our tables have been constructed on this basis.

The Commission wish it to be understood, however, that the tables are tentative, and we do not suggest that any modification in the amount of the variable portion would prove fatal to the scheme. On the contrary, we would recommend that these tables should, prior to adoption, be submitted to the proposed Salaries Adjustment Committee, when constituted, for their consideration and observations.

It is suggested that any re-assessing of salaries which may be necessary should be made once every six months, and that the salaries for the coming period of six months should be based on the average rise or fall of the cost of living over the preceding period of six months. The average rise or fall should be calculated in round figures to five decimal points, taking the figure for the present cost of living as represented by 100. Further, as a matter of administrative convenience, it would be advisable until the cost of living has moved by 10 per cent. in either direction, that no variations should be effected in accordance with this scheme.

The arrangements outlined above have been framed without reference to the cases of the Secretary-General, the Deputy Secretary-General, and the Under Secretaries-General, whose salaries have been fixed in pounds sterling on five-year contracts. So far as we are aware, these officials would not have any claim to any increase in their remuneration should the cost of living rise and it might well be claimed that they should equally be exempt from any deduction in their salaries should the cost of living fall, but in all the circumstances we consider that it would be fair that salaries should be subject to some deduction should the cost of living fall. We therefore recommend that, in the case of a fall, but not of a rise, in the cost of living, 10 per cent. only of the salaries of these officials should be subject to variation, in accordance with the cost of living, in the manner indicated in this Appendix. We finally suggest that the same arrangement might fairly be applied to the case of the Director and Deputy Director of the International Labour Office.

Annex III. - Subsistence Allowances.

The following are the rates of subsistence allowances which the Committee recommend should be adopted for members of the Secretariat in lieu of those at present in force :—

Class A :—

Secretary-General	} 60 Swiss francs a day.
Deputy Secretary-General	.	.	.	.	.
Under Secretaries-General	.	.	.	.	.
Directors of Sections	.	.	.	.	.

Class B :—

Chiefs of Sections	} 40 Swiss francs a day.
Members of Sections	.	.	.	.	.
Personal Assistant of the Secretary-General, of the Deputy Secretary-General and of the Under Secretaries General	.	.	.	.	.
Heads of Administrative Departments	.	.	.	.	.
Chief Interpreter	.	.	.	.	.
Registrar of Documents	.	.	.	.	.
Chief Editor	.	.	.	.	.
Establishment Officer	.	.	.	.	.
Librarian	.	.	.	.	.
Secretaries, Chief Accountant	.	.	.	.	.
Assistant Editor	.	.	.	.	.
Assistant Director and Deputy	.	.	.	.	.
Director of the Registry, Interpreters and Translators,	.	.	.	.	.
Chief Distribution Clerk	.	.	.	.	.
Head of Stenographers	.	.	.	.	.

Class C :—

Any members of the Clerical Staff, other than the } 30 Swiss francs a day for period of
 above, when travelling abroad to assist at Council } a week. 25 Swiss francs a day
 or Commission or other League Meetings . } after the first week. —

Note.—These scales are intended to apply to the officials of corresponding grades in the International Labour Office.

ANNEX 5:—*Report of the Committee No. IV on the Allocation of the Expenses of the League of Nations.*

In execution of the recommendation adopted by the Assembly of the League of Nations in December 1920, a Committee of five Members was appointed by the Council to report on the allocation of expenses. It was composed of M.M. Reveuand (France), Chairman; Barboza Carneiro (Brazil); Alfred Georg (Switzerland); Sthyr, and subsequently de Kauffmann, as substitute for M. Gluckstadt (Denmark); and Sir Henry Strakosch (South Africa). The Report was to be presented to the Council by 31st March 1921. The time at the disposal of this Committee in which to deal with so difficult and complex a question was, therefore, extremely short. It was obviously beyond its powers thoroughly to investigate all possible bases of allocation which might contribute to forming a fair estimate of the "capacity for payment" of the various Members of the League, which was the guiding principle approved by a Committee of the Brussels Financial Conference.

Adequate statistics of national resources were not available, and the Committee, faced with the obligation of submitting a practical proposal within three months, adopted as a measure of the capacity for payment the index obtainable from totals of populations on 31st December 1919, in conjunction with the net revenue for 1913, the last year before the war. The Expert Committee readily admitted that both these indices must remain afar from complete or reliable basis for the purpose in view. They recognised, for instance, that the large native populations of certain extra European countries do not, in many cases, appreciably increase their resources. It was, therefore, laid down that the co-efficient of the population of any State should in no case be estimated as exceeding 5 per cent. of the total population of the States Members of the League. No less readily did the Expert Committee admit the difficulties which arose in determining the amount which could properly be ascribed to net revenue. The principle adopted was to add to the gross revenue, derived from taxation, without taking into account the cost of collection, the amounts derived from what may be described as the trading departments of a State (railways, domains, postal service, etc.) from which administrative and running expenses were deducted.

The very long delay which would have been entailed by the collection of documents and evidence to establish the due proportion of local and general expenditure in the budgets of individual components of a Federal State, made it inevitable, under the circumstances, that this consideration should be ignored in the estimates of net revenue adopted by the Expert Committee. Several Members of the Fourth Committee have drawn attention to this omission as seriously impairing the justice of the actual indices adopted. There were, moreover, other considerations which might be advanced against the adoption of the particular year 1913, or, indeed, of any single year, for the determination of net revenue, such as the fact that the revenue depending on imports and exports in certain countries fluctuates very considerably according to the quality of the harvests. To meet the varying circumstances of a number of countries, an average of the revenue of a series of years would provide a more satisfactory basis.

Finally, the unstable character of exchanges, and the general disturbance of economic conditions at the present moment, could not be overlooked. Proposals exclusively based upon the indices adopted could not therefore be regarded as other than approximate and provisional, and the defects in the system, which was found to be the only practical one to adopt in view of the brief time available, are fully recognised by the Expert Committee in their report. They had, however, been able to make comparisons with certain other statistical data which confirmed their view that the results of their labours were reasonably accurate.

The Committee of Experts proceeded to classify all the countries Members of the League in accordance with a mean index number obtained from the two factors of population and revenue. It maintained the system adopted by the Universal Postal Union of grouping the States into categories—a system which incidentally allowed some account to be taken of other factors than the two mentioned above. It concluded, however, that the apportionment adopted for the Universal Postal Union, which is prescribed by Article VI of the Covenant of the League of Nations as the basis of allocation of contributions, could not equitably be applied, and that it was indispensable to modify it in order to prevent injustice being done to the members. On the other hand, the rules of the Universal Postal Union made it clear that no alteration of its classification could be brought about in less than a year or eighteen months, while there was a probability that the alterations advocated by the Expert Committee would themselves prove an obstacle to acceptance of amendments by the Postal Union. The Expert Committee therefore submitted that the scheme which they recommended for the allocation of expenses could only be introduced by an amendment in Article VI of the Covenant. Such an amendment would

liberate the Assembly from the obligation of strictly applying the system of the Universal Postal Union.

The proposed new allocation will be found in Table II annexed to the Report of the Expert Committee (A. 40, 1921). In view, however, of the difficulties and delays which an alteration of the Covenant must entail, the Expert Committee, in addition to this proposed allocation, which might hold good until further investigations enabled all the facts of the economic situation to be more precisely established, also submitted a transitional proposal which, it is believed, might be adopted within the present limits of the Covenant, provisionally maintaining the elemental indices of the Universal Postal Union, while at the same time relieving to a considerable extent the States actually included in too high a group.

The provisional allocation is set forth in Table III annexed to the Report of the Expert Committee.

When a discussion of the proposals put forward in the Report of the Expert Committee was opened in the Fourth Committee, it at once became evident not only from the criticisms made orally, but also from a certain number of resolutions which were submitted, that a divergence of view existed as to whether the scheme of allocation set forth in Table II or that in Table III, both of which were regarded as only provisional solutions, was the more acceptable. It was, however, decided that the general sense of the Committee should not be taken on this question until the legal aspect of the situation had been examined.

On the proposal of the Chairman it was decided to invite the First Committee, which has to deal with amendments to the Covenant, to join with the Fourth Committee in appointing a mixed Sub-Committee in which eminent juridical authorities should be included, to examine into, and report on, the legal position. On behalf of the Fourth Committee MM. Adatei (Japan), Fernandes (Brazil), and Trygger (Sweden) were selected to act together with Sir Rennel Rodd, the reporter to the Fourth Committee; on behalf of the First Committee, Captain Bruce (Australia), MM. Noblemaire (France), Osusky (Czecho-Slovakia), with M. Zable (Denmark) as reporter to the First Committee.

The Italian Delegate took the opportunity of announcing that, by the constitution of Italy, he was precluded from accepting any proposal involving an increased contribution without the sanction of Parliament. He could not therefore assent to any augmentation in the amount allocated to Italy under the Covenant until after the ratification of Parliament had been obtained to an amendment of Article VI. Other delegates expressed similar views.

The question whether exchange, which at the present moment so seriously affects the economic situation of certain Members of the League, should be taken into account in determining the allocation of contributions was raised by the Delegate of Poland, who in this matter spoke also on behalf of Roumania, Czecho-Slovakia, and the Serb-Croat-Slovene State. The Fourth Committee decided, by a majority resolution, that for various reasons of a practical and technical character the consideration of exchange must be excluded.

It was further decided that the numerical order of the groups into which the countries Members of the League were divided, which had led to misapprehensions, should be discontinued, and that countries should be arranged in alphabetical order.

Other Members of the Fourth Committee supplemented the criticisms to which reference has already been made, such as the incompleteness or insufficiency of the indices adopted, by drawing attention to the absence of any special consideration for the countries which had suffered most heavily by the war, and to the somewhat arbitrary nature of the grouping system, which placed in the same category countries whose index figures differed widely, and whose economic situation was not comparable.

The Fourth Committee, however, realising the difficulties which had been encountered and the impossibility of arriving under the circumstances at more than an approximate adjustment, expressed their high appreciation of the remarkable achievement of the Expert Committee which had, within so brief a period, succeeded in presenting an unanimous report and submitting a proposal for the readjustment of contributions which, it was generally admitted, in its main outlines went far to correct the manifest injustices to the existing scale.

The joint Sub-Committee of the First and Fourth Committees after several meetings expressed the unanimous opinion that the actual scale of allocation in force could not be modified without amending the Covenant. The Transitional Table III, submitted in the Report of the Expert Committee was, in this respect, in precisely the same position as Table II, and did not offer a provisional solution within the limits of the Covenant.

The Sub-Committee accordingly suggested the following amendments to the Covenant:—

“1. The last paragraph of Article VI of the Covenant shall be replaced by the following:—

“The expenses of the League shall be borne by the Members of the League in the proportion decided by the Assembly.”

“2. Provisional Article (to be inserted as an Annex to the Covenant):—

“The following allocation of the expenses of the League shall be applied as from 1st January 1922.” (Insert the Table to be adopted by Committee No. 4.)

The following considerations were added in the Report of the joint Sub Committee :—

“By the new paragraph of Article VI of the Covenant the Sub-Committee adopts the proposal of the Committee dealing with amendments to the Covenant, according to which the Assembly would have the power to determine the scale simply by a Resolution and not by the procedure laid down in Article 26 of the Covenant. In accordance with Article 5 of the Covenant this Resolution will have to be accepted unanimously.

Nevertheless, as the Assembly will be unable to make use of its new faculty until the amendment shall have been ratified, as prescribed in Article 26 of the Covenant; and as, on the other hand, it is absolutely necessary that the inequity, already recognised by the First Assembly, of the present scale of the Universal Postal Union should be modified as soon as possible, the Sub-Committee was of opinion that Amendment of Article 6 of the Covenant should be supplemented by a provisional Article, possessing the same validity as the Covenant, and being subject to the stipulations prescribed in Article 26 of the Covenant. It is obvious that this Temporary Article will only become effective during the course of the year 1922, but once it has become effective the scale to which it refers will become operative as from 1st January 1922, and consequently will cover the whole financial year 1922.

The Sub-Committee is of opinion that the matter can be arranged in the following manner between 1st January 1922 and the date when the provisional Article becomes effective. In January 1922, when the Director of the Financial Administration has to notify to the Members of the League the amounts which they are required to pay for the expenses of 1922, we shall most probably find that we are still under the existing scale of the Universal Postal Union, and the Director of the Financial Administration should therefore inform the Members of the League of the amount of their contribution according to this scale. But there is no reason why the Director should not also inform the Members of the amount of their contribution as calculated under the new scheme. Until the amendment becomes effective, Members of the League could therefore begin by paying either the amount due according to the Postal scale or that due according to the new scale.

The Sub-Committee considers that it should draw attention to Article 13, section (e) of the Recommendation adopted on 17th December 1920, by the Assembly on the subject of the Finances of the League. According to this Article the allocation for 1922 should be so arranged by the Assembly of 1921 that Members who contributed in 1921 more than they would have done if the new scheme had been in force should, in 1922, pay a correspondingly smaller amount than their quota and *vice versa*. If it is determined to retain this readjustment, a question which this Sub-Committee is not competent to consider, Article 13, section (e) of the Recommendation of December 1920 should be incorporated in the provisional Article, as it constitutes a modification of Article 6 of the Covenant, and it will be sufficient to substitute 1921 for 1922.

If the allocation to be adopted by Committee No. IV, is the best solution obtainable for the time being, it will nevertheless be extremely desirable that M. Reveillaud's Committee should continue its labours. It is only in this manner that the Assembly will be enabled eventually to decide upon satisfactory allocation as prescribed in the new final paragraph of Article 6 of the Covenant.”

The fourth Committee, in considering the report of the joint Sub-Committee, dealt first with the concluding paragraph, and had no hesitation in adopting a resolution in the following sense :—

“The Fourth Committee, recognising that the proposals of the Expert Committee are still susceptible of improvements and adjustments after a more exhaustive investigation of the data, recommends that this Committee, so ably presided over by M. Reveillaud, be reappointed by the Council to continue its labours, and after taking account of the various factors not yet fully examined, to submit a further report indicating such modifications of the allocation provisionally accepted as it may deem equitable.”

It is anticipated that these further proposals will be ready for consideration by the Assembly not later than 1923.

The Fourth Committee next adopted the amendment to Article VI of the Covenant (No. 1 above), proposed by the joint Sub-Committee, without modification, and recommended that a paragraph should be added to Article 4 of the Rules of procedure of the Assembly to the following effect :—

“No proposal for a modification of the allocation of expenses for the time being in force, shall be inserted in the agenda unless it has been communicated to Members at least four months before the date fixed for the opening of the session.”

The proposed provisional Article (No. 2 above) to be inserted as an annex to the Covenant, led to a long discussion. It was held by many members of the Fourth Committee that any new scale to be adopted could, for reasons which have been sufficiently indicated above, only be provisional and transitory and that there must be a long delay before even such a transitional arrangement could be ratified by the Powers and made effective, with consequent uncertainty

and risk of serious disturbance in the financial arrangements of the League. Hence it was urged that it would be more practical to maintain the existing allocation of the Universal Postal Union, until a definitive, equitable adjustment had been submitted to, and adopted by, the Assembly. This view was held even by one or two representatives of Powers which stood to gain considerably by the immediate acceptance of a new allocation. Others, however, entertained no doubt that the risks involved were to be preferred to any prolongation of the existing system, which entailed such manifest injustices, and a division showed that a majority of the Fourth Committee were in favour of a new provisional allocation. Of the two alternatives presented by the Expert Committee Table II was adopted in preference to Table III by a large majority, subject to amendments to be considered later.

Having thus come to a decision, in principle, as to the new scale of allocation, the Fourth Committee proceeded to consider whether any alterations in Table II were permissible. In particular, it discussed a proposal of the Polish Delegate that Poland should be included amongst the countries enumerated in the fourth, instead of the third class of Table II. The Committee decided, by a majority, to accept this proposal, taking into account the exceptional grounds on which it was based, especially the contention that Poland was formed out of parts of the three Empires which, in 1913, were in a condition of prosperity not obtaining when her existence as a separate State commenced, and that only an arbitrary estimate of revenue in 1913 had been possible.

The consequent reduction in the contribution of Poland will not make any appreciable difference in the allocations of the other Members of the League, having regard to the recent admission to membership of Estonia, Latvia and Lithuania. The eventual shares of these States had not been taken into consideration when Table II was prepared by the Expert Committee.

Table II as amended, showing (a) the units of contribution ; (b) the percentages payable by the existing Members of the League, is given in an appendix.

The Fourth Committee then decided that all other proposals for modification of the scale of allocation and the memoranda submitted in support of them should be referred to the Expert Committee for investigation in connection with the revised scheme which it is to prepare. It will, of course, be open to this Committee to hear the representatives of such countries as desire to express their views, and to present any results which are ready in time, to the Assembly of 1922.

The Fourth Committee recognised the high standard of the memoranda submitted by several of its members, and agreed that both their criticisms and their constructive proposals deserved close study. Had time permitted, the Fourth Committee would have been glad to examine these memoranda in detail. It was forced to recognise, however, that any such examination at so late a period of the present session could have been only cursory and unsatisfactory.

For the sake of greater clearness, and in order that there may not appear to be any contradiction between the terms of Article VI as amended and those of the provisional Article proposed by the joint Sub-Committee, the Fourth Committee agreed to add to the letter the following words:—

“And shall remain in force until a revised allocation has been accepted by the Assembly.”

The question of the date to be inserted in the provisional Article brought under review, the issue whether the new allocation was to be retroactive in effect, so as to cover the year 1921. A recommendation in favour of such retroactivity had been adopted in the last session of the Assembly in 1920. This question was very carefully considered and argued in the Fourth Committee, and a certain number of members urgently advocated a readjustment in the sense of that recommendation. They represented that not only they, but their Governments also, regarded the 1920 recommendation as in the nature of a pledge. After a long discussion a large majority of the Fourth Committee declared itself against upholding the recommendation. They contended that at the time of its adoption there was a hope that it would be possible to apply a revised scale for 1922, without amending the Covenant, by arrangement with the Universal Postal Union. They further urged that insistence upon retroactivity would prejudice not only the prospects of acceptance of the provisional Article in the Assembly, but above all the prospects of approval of the new allocation by certain of the Parliaments, and ratification by the respective Governments. Failure in either case would entail, as the only alternative, the maintenance of the old allocation under the Universal Postal Union.

It may be desirable to add a word or two, as to the position of States which may be admitted to membership of the League in future years. The units of expenditure payable by such members cannot be determined under the wording of the provisional Article referred to above. It is suggested that the difficulty would best be met by a specific decision of the Assembly after reference to the appropriate Committees at the time when any new application for membership comes before it.

The task imposed upon the Fourth Committee in considering the many aspects of a question which is by its nature contentious, has been no light one, and in presenting recommendations which appear to be the most practical under present conditions, it must once more

express appreciation of the excellent work accomplished in so short a time by M. Reveillaud's Committee, on which the proposed resolutions are based. Every assistance has been afforded by the members of that Committee in explaining the principles which have guided their action, and in elucidating the various points which have arisen during the progress of discussions. The Fourth Committee have every confidence that a resumption of the investigation, in the light of further data which may become available, and of the recommendations advanced by various members, will lead to even better results in the future.

In conclusion the Fourth Committee has the honour to propose to the Assembly the following Resolutions which have been adopted, either unanimously or by a majority :—

I.—That the last paragraph of Article VI of the covenant should be replaced by the following paragraph :—

“The expenses of the League shall be borne by the members of the League in the proportion decided by the Assembly.”

II.—That the following provisional Article shall be inserted as an annex to the Covenant :—

“The following allocation of the expenses of the League shall be applied as from 1st January 1922, and shall remain in force until a revised allocation has been accepted by the Assembly :—

States.	Units payable.	States.	Units payable.
South Africa	15	Italy	65
Albania	2	Japan	65
Argentina	35	Latvia	5
Australia	15	Liberia	2
Austria	2	Lithuania	5
Belgium	15	Luxemburg	2
Bolivia	5	Nicaragua	2
Brazil	35	Norway	10
British Empire	90	New Zealand	10
Bulgaria	10	Panama	2
Canada	35	Paraguay	2
Chile	15	Netherlands	15
China	65	Peru	10
Colombia	10	Persia	10
Costa Rica	2	Poland	15
Cuba	10	Portugal	10
Denmark	10	Rumania	35
Spain	35	Salvador	2
Estonia	5	Serb-Croat-Slovene State	35
Finland	5	Siam	10
France	90	Sweden	15
Greece	10	Switzerland	10
Guatemala	2	Czecho-Slovakia	35
Haiti	5	Uruguay	10
Honduras	2	Venezuela	5
India	65		

III.—That the Assembly, recognising that the proposals of the Expert Committee (A.-40, 1921) are still susceptible of improvements and adjustments after a more exhaustive investigation of the data, recommends that this Committee so ably presided over by M. Reveillaud, be re-appointed by the Council to continue its labours and, after taking account of the various factors not yet fully examined, to submit a further report indicating such modifications of the allocation provisionally accepted as it may deem equitable.

IV.—That the following paragraph should be added to Article IV of the Rules of Procedure of the Assembly :—

“No proposal for a modification of the allocation of expenses for the time being in force shall be inserted in the Agenda unless it has been communicated to Members at least four months before the date fixed for the opening of the Session.”

SUPPLEMENTARY MEMORANDUM BY THE RAPPEUR.

The *rapporteur* of the Fourth Committee on the subject of Allocation of Expenses proposes, in submitting the Committee's report to the Assembly, to discuss the following Resolutions :—

(1) (to be substituted for Resolution 2 in the report of the Fourth Committee, page 7 of A. 179, 1921) :

(a) That the following paragraph shall be added to Article 6 of the Covenant as amended :—

“The allocation of the expenses of the League set out on Annex 3 shall be applied as from 1st January 1922 until 31st December 1923, unless in the meantime a revised allocation has come into force after adoption by the Assembly.”

(b) That the following shall become Annex 3 of the Covenant :—

Allocation of the Expenses of the League.

(As in Resolution II, in the Report of the Fourth Committee.)

(2) (Additional Resolution.) "The Assembly is of the opinion that, when a revised scheme of allocation of the expenses of the League has been adopted after consideration of the fresh recommendations of the Expert Committee, it would be equitable that Members of the League which may, with effect from 1st January 1921 and up to the year for which the revised scheme is adopted, have paid more than they are called upon to pay under the operation of such scheme, should be entitled to a refund of the excess amount paid.

"Such refund shall be made as surplus funds accrue and without prejudice to the maintenance of the working capital account of the League at its full normal figure."

TABLES PREPARED BY THE INDIAN DELEGATION.

*Subscriptions payable by each Member of the League under three schemes, on an assumed Budget of 25,000,000 gold francs.**

(The figures in brackets indicate the percentage of the total Budget paid by each State.)

	I. Allocation based on existing classifica- tion (Postal Union).	II. Allocation Committee's Definitive proposals.	III. Allocation Com- mittee's suggested temporary allocation.
	Gold Francs.	Gold Francs.	Gold Francs.
British Empire :—			
United Kingdom	1,225,190 (4·9)	2,291,242 (9·16)	1,570,352 (6·3)
Australia	1,225,190 (4·9)	381,873 (1·53)	628,142 (2·5)
Canada	1,225,490 (4·9)	891,038 (3·56)	942,211 (3·8)
India	1,225,490 (4·9)	1,654,786 (6·6)	1,256,281 (5·0)
New Zealand	147,059 (0·6)	251,583 (1·02)	314,070 (1·3)
South Africa	1,225,490 (4·9)	381,873 (1·53)	628,142 (2·5)
Total, British Empire	6,274,509 (25·1)	5,855,395 (23·40)	5,339,198 (21·4)
Albania	49,020 (0·196)	50,917 (0·20)	62,814 (0·25)
Argentina	245,098 (0·98)	891,038 (3·56)	912,211 (3·8)
Austria	245,098 (0·98)	50,917 (0·20)	62,814 (0·25)
Belgium	735,291 (2·9)	381,873 (1·53)	628,142 (2·5)
Bolivia	147,059 (0·6)	127,291 (0·51)	188,442 (0·75)
Brazil	735,291 (2·9)	891,038 (3·56)	942,211 (3·8)
Bulgaria	245,098 (0·98)	251,583 (1·02)	314,070 (1·3)
Chile	245,098 (0·98)	381,873 (1·53)	628,142 (2·5)
China	1,225,490 (4·9)	1,654,786 (6·6)	1,256,281 (5·0)
Colombia	245,098 (0·98)	251,583 (1·02)	314,070 (1·3)
Costa Rica	147,059 (0·6)	50,917 (0·20)	62,814 (0·25)
Cuba	147,059 (0·6)	251,583 (1·02)	314,070 (1·3)
Czecho-Slovakia	735,291 (2·9)	891,038 (3·56)	942,211 (3·8)
Denmark	490,196 (1·96)	251,583 (1·02)	314,070 (1·3)
Finland	490,196 (1·96)	127,291 (0·51)	188,442 (0·75)
France	1,225,490 (4·9)	2,291,242 (9·16)	1,570,352 (6·3)
Greece	245,098 (0·98)	251,583 (1·02)	314,070 (1·3)
Guatemala	147,059 (0·6)	50,917 (0·20)	62,814 (0·25)
Haiti	147,059 (0·6)	127,291 (0·51)	188,442 (0·75)
Honduras	147,059 (0·6)	50,917 (0·20)	62,814 (0·25)
Italy	1,225,490 (4·9)	1,654,786 (6·6)	1,256,281 (5·0)
Japan	1,225,490 (4·9)	1,651,786 (6·6)	1,256,281 (5·0)
Liberia	49,020 (0·196)	50,917 (0·20)	62,814 (0·25)
Luxemburg	147,059 (0·6)	50,917 (0·20)	62,814 (0·25)
Netherlands	735,291 (2·9)	381,873 (1·53)	628,142 (2·5)
Nicaragua	147,059 (0·6)	50,917 (0·20)	62,814 (0·25)
Norway	490,196 (1·96)	251,583 (1·02)	314,070 (1·3)
Panama	117,059 (0·6)	50,917 (0·20)	62,814 (0·25)
Paraguay	147,059 (0·6)	50,917 (0·20)	62,814 (0·25)
Persia	147,059 (0·6)	251,583 (1·02)	314,070 (1·3)
Peru	245,098 (0·98)	251,583 (1·02)	314,070 (1·3)
Poland	1,225,490 (4·9)	891,038 (3·56)	942,211 (3·8)
Portugal	490,196 (1·96)	251,583 (1·02)	314,070 (1·3)
Rumania	735,291 (2·9)	891,038 (3·56)	942,211 (3·8)
Salvador	147,059 (0·6)	50,917 (0·20)	62,814 (0·25)
Serb-Croat-Slovene	490,196 (1·96)	891,038 (3·56)	942,211 (3·8)
Siam	147,059 (0·6)	251,583 (1·02)	314,070 (1·3)
Spain	891,038 (3·56)	891,038 (3·56)	942,211 (3·8)
Sweden	735,291 (2·9)	381,873 (1·53)	628,142 (2·5)
Switzerland	735,291 (2·9)	251,583 (1·02)	314,070 (1·3)
Uruguay	117,059 (0·6)	251,583 (1·02)	314,070 (1·3)
Venezuela	117,059 (0·6)	127,291 (0·51)	188,442 (0·75)
	25,000,000 (100)	25,000,000 (100)	25,000,000 (100)

*This table does not include the new States, Estonia, Latvia and Lithuania, admitted to the League during the 1921 session of the Assembly, nor does column II allow for the decision to place Poland in the fourth category instead of in the third.

Actual Subscriptions payable by certain States for the year 1922 on the Budget of 20,873,945 gold francs approved by the Assembly.

		Postal Union Scheme (excluding Esthonia, Latvia and Lithuania). (510 units.)		Allocation adopted by the Assembly, based on Allocation Committee's definite scheme (including Esthonia, Latvia and Lithuania). (977 units.)	
		Units.	Amount.	Units.	Amount.
British Empire :					
United Kingdom	25	1,023,233	90	1,922,886	
South Africa	25	1,023,233	15	320,481	
Australia	25	1,023,233	15	320,481	
Canada	25	1,023,233	35	747,789	
India	25	1,023,233	65	1,388,751	
New Zealand	3	122,786	10	213,654	
Total British Empire	128	5,238,951	230	4,914,042	
China	25	1,023,233	65	1,388,751	
France	25	1,023,233	90	1,922,886	
Italy	25	1,023,233	65	1,388,751	
Japan	25	1,023,233	65	1,388,751	
Poland	25	1,023,233	15	320,481	
Spain	20	818,586	35	747,789	
Belgium	15	613,940	15	320,481	
Brazil	15	613,940	35	747,789	
Netherlands	15	613,940	15	320,481	
Rumania	15	613,940	35	747,789	
Sweden	15	613,940	15	320,481	
Switzerland	15	613,940	10	213,654	
Czecho-Slovakia	15	613,940	35	747,789	
Argentina	5	204,646	35	747,789	
Serb-Croat-Slovene	10	409,293	35	747,789	
Chile	5	204,646	15	320,481	

ANNEX 6.—*Original Budget of the League (only the main heads are reprinted).*

STATEMENT OF INCOME AND EXPENDITURE FOR 1922.

Expenditure.		Income.	
	Gold francs.		Gold francs.
<i>A. League Expenditure.</i>			
1. Assembly and Council Meetings	1,000,000	1. Ordinary contribution towards normal upkeep	13,451,000
2. General Services of the Secretariat	6,141,000	2. Ordinary contribution towards upkeep of Labour Organisation	8,245,016
3. Special Organisations of League	4,810,000	3. Extraordinary contribution towards capital account	1,572,800
4. Capital Expenditure	1,572,800	4. Extraordinary contribution to replace working capital	500,000
5. Working Capital replacement	500,000		
6. Permanent Court of International Justice	1,500,000		
<i>B. Labour Organisation.</i>			
7. Estimates for 1922	8,245,046		
	23,768,846		23,768,846

SUMMARY OF CHAPTERS.

		1922.	1921.
		Gold francs.	
Chapter	I. Assembly and Council Sessions	1,000,000	750,000
"	II. General Services of the Secretariat	6,141,000	4,970,000
"	III. Special Organisations of the League :—		
	(a) Continuing or Permanent	3,935,000	2,955,000
	(b) Temporary	375,000	525,000
	(c) Unforeseen	500,000	500,000
"	IV. Capital Expenditure	1,572,800	2,000,000
"	V. Working Capital Fund	500,000	1,890,000
"	VI. Permanent Court of International Justice	1,500,000	650,000
"	VII. International Labour Organisation	8,245,046	7,010,000
Total for 1922		23,768,846	21,250,000
Increase of 1922 over 1921		—	2,518,846
Percentage of increase, 11½ per cent.			

CHAPTER I.—ASSEMBLY AND COUNCIL SESSIONS.

	Gold francs.	Gold francs.
1. Session of the Assembly	800,000	750,000
2. Sessions of the Council	200,000	...
	1,000,000	750,000

1922.

1921.

CHAPTER II.—GENERAL SERVICES OF THE SECRETARIAT.

3. Salaries, Wages and Allowances:—

Gold francs.

(a) Secretariat at Geneva	4,000,000	3,255,000
(b) House staff at Geneva	220,000	200,000
(c) Branch offices personnel	120,000	35,000
4. Travelling expenses of officials of the League:		
(a) Removal expenses	50,000	25,000
(b) Travelling expenses and subsistence allowances occasioned in connection with general services	150,000	150,000
5. Frais de représentation	210,000	200,000
6. Property Account. Maintenance:—		
(a) Headquarters at Geneva	185,000	219,420
(b) Branch offices	165,000	65,000
(c) House allowance for the Secretary-General at Geneva	21,000	...
<i>Installation at permanent seat of the League (non-recurring)</i>	...	25,000
7. Auditors' travelling and subsistence expenses	5,000	5,000
8. Publication Department (exclusive of salaries)	415,000	250,000
9. General Office Expenses	540,000	400,000
10. Interest charges	50,000	75,000
<i>Enquiry as to Organisation of the Secretariat</i>	...	10,000
11. Unforeseen expenses of the Secretariat	110,000	55,580
	<hr/>	<hr/>
	6,241,000	4,970,000

Appropriations in aid:—

Gold francs.

(a) Sale of publications (<i>see</i> item 8)	35,000	
(b) Interest earned (<i>see</i> item 10)	50,000	
(c) Miscellaneous petty receipts	15,000	100,000

Net total 6,141,000

CHAPTER III.—SPECIAL ORGANISATIONS OF THE LEAGUE.

(a) *Continuing or Permanent*—(3,935,000 gold francs).

12. Administrative Commissions and minorities' questions	200,000	175,000
13. Economic and Financial	2,310,000	1,000,000
14. Mandates	225,000	225,000
15. Transit	500,000	670,000
16. Permanent Advisory Commission for Military, Naval and Air questions	100,000	285,000
17. International Health Organisation	400,000	400,000
18. Supervision of the Opium Traffic	100,000	50,000
19. Social questions: Traffic in Women and Children, etc.	100,000	150,000

(b) *Temporary* 375,000 gold francs).

20. Temporary Commission for the reduction of armaments	125,000	100,000
<i>Central Bureau for the Regulation of Arms Traffic</i>	...	50,000
21. International Blockade Committee	75,000	75,000
22. Repatriation of Prisoners of War	25,000	150,000
23. Commission of Enquiry regarding Deportation of Women and Children in Armenia, etc.	50,000	50,000
24. International Bureaux	100,000	100,000

(c) *Unforeseen* (500,000 gold francs).

25. Unforeseen expenditure such as special Commissions of Enquiry, etc. (subject to special vote of Council)	500,000	500,000
--	---------	---------

CHAPTER IV.—CAPITAL EXPENDITURE.

(5·50 Swiss francs = \$1 = 5·1826 gold francs.)

	1922.	1921.
	Swiss francs.	
26. Fourth payment on account of balance of purchase price of Hotel National	500,000	500,000
27. Interest estimated at 5½ per cent. on 4,000,000 Swiss francs for six months	110,000	175,000
28. Fifth payment on account of balance of purchase price of Hotel National	500,000	500,000
29. Interest estimated at 5½ per cent. on 3,500,000 Swiss francs for six months	96,250	157,500
30. Payments to maintain the options on adjoining properties :—		
(a) " Villa " Property, payable 1st May	5,000	5,000
" Villa " Property, payable 1st November	5,000	5,000
(b) " Armleder " Property, payable 1st May	8,333	8,333
" Armleder " Property payable 1st November	8,334	8,334
31. Additions to property of a permanent character	25,000	48,477
32. Furniture and fittings (additional equipment)	110,000	500,000
33. Library Installation :—		
(a) Permanent shelving and equipment	125,000	35,000
(b) Purchase of books, periodicals, maps, etc.	175,000	200,000
<i>Printing Office</i> . . . . .	...	250,000
34. Wireless receiving installation	1,207	...
	<hr/>	<hr/>
Swiss francs	1,669,124	2,392,644
Gold francs	1,572,800	2,000,000

CHAPTER V.

	Gold francs.	
35. Working Capital Fund :—		
Balance required for working capital to replace advances made to the following : (amounts estimated as on 31st December 1921)	500,000	1,890,000
(a) Aaland Islands Enquiry	100,000	
(b) Polish-Lithuanian dispute	200,000	
(c) Free City of Danzig	175,000	
(d) Anti-Typhus Campaign	25,000	
	<hr/>	
	500,000	

CHAPTER VI.

36. Permanent Court of International Justice	1,500,000	650,000
--	-----------	---------

CHAPTER VII.

37. International Labour Organisation	8,245,046	7,010,000
---	-----------	-----------

ANNEX 7 :—*Original Budget of the Labour Organisation for 1922.*

SUMS CREDITED TO THE INTERNATIONAL LABOUR ORGANISATION OVER AND ABOVE THE SUM VOTED FOR ITS ESTIMATED EXPENDITURE IN 1921.

	Gold francs.
Unexpended balance from year 1920, 33,889L. (20 gold francs per 1L.)	677,780
Contribution of Germany for 1920, 2,975,256 marks	242,860
Contribution of Germany for 1921	343,750
Estimated subscriptions for Office publications for 1921	100,000
	<hr/>
	1,364,390

In regard to the disposal of these sums, the Governing Body, at its meeting of 14th April 1921, approved the following recommendation contained in the report of their Finance Committee:

"It will be a matter for the Assembly of the League of Nations to determine how these sums should be treated; whether they should go in reduction of the contributions required in respect of the cost of the Office during the current year, or whether they should be brought into account in fixing the Budget for 1922. It is suggested that these amounts should be shown in a note appended to the Estimate for 1922, and the view of the Governing Body on the question indicated. The Finance Committee think the best course is to appropriate them in reduction of the expenditure for 1922."

ESTIMATE FOR 1922.

Approved by the Governing Body of the International Labour Office at its Seventh Session, held at Geneva, 12th-14th April 1921.

GENERAL SUMMARY.

1921.	Sub-heads.	1922.
Swiss francs.		Swiss francs.
3,837,500	A.—Salaries	4,698,462
397,500	B.—Travelling and Miscellaneous	382,500
1,950,000	C.—Establishment and Office expenses	1,430,000
568,750	D.—Correspondents and collection of Information	581,000
837,500	E.—Conference and Enquiries	680,000
480,000	F.—Non-recurring Expenditure	190,000
178,750	G.—Emergency Expenditure	285,038
500,000	Unappropriated Balance	500,000
12,500	League of Nations Enquiry	—
<u>8,762,500</u>		<u>8,750,000</u>

SUB-HEAD A.—SALARIES.

Posts.		Sub-divisions.		Gold francs (\$ at 6'47825).	
1921.*	1922.			1921.	1922.
1	1	I	Director	72,000	72,000
34	34	II	Cabinet	440,980	434,440
1	1	III	Deputy Director	52,000	52,000
3	4	IV	Deputy Director's Secretariat	29,920	40,320
122	142	V	Central Services	712,050	840,000
29	38	VI	Diplomatic Division	362,200	478,080
78	97	VII	Scientific Division	801,150	1,102,010
40	36	VIII	Technical Services	539,920	479,920
<u>308</u>	<u>353</u>			<u>3,010,920</u>	<u>3,498,770</u>
			Increments and promotion	—	140,000
			Temporary assistance, overtime and emergency	59,080	120,000
				<u>3,070,000</u>	<u>3,758,770</u>
			In Swiss francs =	3,837,500	4,698,462

SUB-HEAD B.—TRAVELLING AND MISCELLANEOUS.

1921.	Sub-divisions.	1922.
Swiss francs.		Swiss francs.
187,500	1. Staff: Travelling expenses and allowances	187,500
75,000	2. Governing Body: Travelling expenses and allowances	75,000
60,000	3. Frais de représentation:	
	Director	60,000
25,000	Deputy Director	25,000
25,000	Chairman of Governing Body (including honorarium, office and secretarial expenses)	25,000
25,000	4. Cantonal and communal subscriptions and other miscellaneous expenses	10,000
<u>397,500</u>		<u>382,500</u>

* These figures include all posts budgeted for, whether for whole or part of year.

SUB-HEAD C.—ESTABLISHMENT AND OFFICE EXPENSES.

1921.		1922.
—		—
Swiss francs.		Swiss francs.
120,000	1. Rent, Heat and Lighting	110,000
65,000	2. Maintenance and Insurance	50,000
250,000	3. Stationery, etc.	250,000
231,250	4. Post, Telegraph and Telephone	200,000
150,000	5. Library (purchases and subscriptions)	100,000
150,000	6. Printing: Official Bulletin (three languages)	150,000
100,000	7. Printing: Studies and Reports	80,000
240,000	Printing: Monthly Review	150,000
30,000	Printing: Legislative Series	30,000
150,000	Printing: Special Publications	120,000
200,000	General Printing: Circulars, questionnaires, reports	150,000
150,000	8. Printing Daily Intelligence	150,000
50,000	9. Transportation and Welfare arrangements for staff	30,000
63,750	10. Unforeseen and incidental expenses	60,000
<u>1,950,000</u>		<u>1,630,000</u>
	Appropriation in aid of sale of publications and advertisements	200,000
	Net Total	<u>1,430,000</u>

SUB-HEAD D.—CORRESPONDENTS' OFFICES.

60,000	1. Paris Office (150,000 Fr. francs)	75,000
132,000	2. London Office (6,000£.)	144,000
186,000	3. Washington Office (30,000 dollars)	165,000
10,000	4. Rome Office (40,000 lire)	10,000
20,000	5. Berlin Office (250,000 marks)	30,000
160,750	6. Correspondents and collection of outside information	160,000
<u>568,750</u>		<u>584,000</u>

Rate of Conversion
for Budget of 1921.Rate of Conversion
for Budget of 1922.

40	Swiss francs = 100 French francs = 50	Swiss francs.
22	„ „ = 1£. = 24	„ „
6.20	„ „ = 1 dollar (American) = 5.50	„ „
25	„ „ = 100 Italian lire = 25	„ „
- 8	„ „ = 100 marks (German) = 12	„ „

SUB-HEAD E.—CONFERENCES AND ENQUIRIES.

1921.	Sub-divisions.	1922.
—	—	—
Swiss francs.		Swiss francs.
250,000	1. Annual Conferences (hire, preparation of hall, reporting and publication of provisional and final records)	200,000
150,000	2. Enquiries and investigations	150,000
275,000	3. Commissions	200,000
100,000	Printing, stationery, postage, etc., for Commissions	80,000
62,500	4. Emergency expenditure (including temporary staff for Conference)	50,000
<u>837,500</u>		<u>680,000</u>

SUB-HEAD F.—NON-RECURRING EXPENDITURE.

260,000	1. Office, repairs to buildings	100,000
150,000	{ 2. Office equipment and additional furniture	60,000
	{ 3. Typing and calculating machines, duplicators, dictaphones, etc.	30,000
70,000	4. Construction of temporary accommodation or enlargement of office building	<i>Nil.</i>
<u>480,000</u>		<u>190,000</u>

SUB-HEAD G.—EMERGENCY EXPENDITURE.

178,750	Emergency expenditure	285,038
---------	---------------------------------	---------

In regard to the disposal of these sums, the Governing Body, at its meeting of 14th April 1921, approved the following recommendation contained in the report of their Finance Committee:

"It will be a matter for the Assembly of the League of Nations to determine how these sums should be treated; whether they should go in reduction of the contributions required in respect of the cost of the Office during the current year, or whether they should be brought into account in fixing the Budget for 1922. It is suggested that these amounts should be shown in a note appended to the Estimate for 1922, and the view of the Governing Body on the question indicated. The Finance Committee think the best course is to appropriate them in reduction of the expenditure for 1922."

ESTIMATE FOR 1922.

Approved by the Governing Body of the International Labour Office at its Seventh Session, held at Geneva, 12th-14th April 1921.

GENERAL SUMMARY.

1921.	Sub-heads.	1922.
—	—	—
Swiss francs.		Swiss francs.
3,837,500	A.—Salaries	4,698,462
397,500	B.—Travelling and Miscellaneous	382,500
1,950,000	C.—Establishment and Office expenses	1,430,000
568,750	D.—Correspondents and collection of Information	584,000
837,500	E.—Conference and Enquiries	680,000
480,000	F.—Non-recurring Expenditure	190,000
178,750	G.—Emergency Expenditure	285,038
500,000	Unappropriated Balance	500,000
12,500	League of Nations Enquiry	—
<u>8,762,500</u>		<u>8,750,000</u>

SUB-HEAD A.—SALARIES.

Posts.		Sub-divisions.	Gold francs (\$ at 6'47825).	
1921.*	1922.		1921.	1922.
1	1	I Director	72,000	72,000
34	34	II Cabinet	440,980	434,440
1	1	III Deputy Director	52,000	52,000
3	4	IV Deputy Director's Secretariat	20,920	40,320
122	142	V Central Services	712,050	840,000
29	38	VI Diplomatic Division	362,200	478,080
78	97	VII Scientific Division	801,150	1,102,010
40	36	VIII Technical Services	539,920	479,920
<u>308</u>	<u>353</u>		<u>3,010,920</u>	<u>3,498,770</u>
		Increments and promotion	—	140,000
		Temporary assistance, overtime and emergency	59,080	120,000
			<u>3,070,000</u>	<u>3,758,770</u>

In Swiss francs = 3,837,500

4,698,462

SUB-HEAD B.—TRAVELLING AND MISCELLANEOUS.

1921.	Sub-divisions.	1922.
—	—	—
Swiss francs.		Swiss francs.
187,500	1. Staff: Travelling expenses and allowances	187,500
75,000	2. Governing Body: Travelling expenses and allowances	75,000
	3. Frais de représentation:	
60,000	Director	60,000
25,000	Deputy Director	25,000
25,000	Chairman of Governing Body (including honorarium, office and secretarial expenses)	25,000
25,000	4. Cantonal and communal subscriptions and other miscellaneous expenses	10,000
<u>397,500</u>		<u>382,500</u>

* These figures include all posts budgeted for, whether for whole or part of year.

SUB-HEAD C.—ESTABLISHMENT AND OFFICE EXPENSES.

1921.		1922.
—		—
Swiss francs.		Swiss francs.
120,000	1. Rent, Heat and Lighting	110,000
65,000	2. Maintenance and Insurance	50,000
250,000	3. Stationery, etc.	250,000
231,250	4. Post, Telegraph and Telephone	200,000
150,000	5. Library (purchases and subscriptions)	100,000
150,000	6. Printing: Official Bulletin (three languages)	150,000
100,000	7. Printing: Studies and Reports	80,000
240,000	Printing: Monthly Review	150,000
30,000	Printing: Legislative Series	30,000
150,000	Printing: Special Publications	120,000
200,000	General Printing: Circulars, questionnaires, reports	150,000
150,000	8. Printing Daily Intelligence	150,000
50,000	9. Transportation and Welfare arrangements for staff	30,000
63,750	10. Unforeseen and incidental expenses	60,000
1,950,000		1,630,000
	Appropriation in aid of sale of publications and advertisements	200,000
	Net Total	1,430,000
		—
	SUB-HEAD D.—CORRESPONDENTS' OFFICES.	
60,000	1. Paris Office (150,000 Fr. francs)	75,000
132,000	2. London Office (6,000£.)	144,000
186,000	3. Washington Office (30,000 dollars)	165,000
10,000	4. Rome Office (40,000 lire)	10,000
20,000	5. Berlin Office (250,000 marks).	30,000
160,750	6. Correspondents and collection of outside information	160,000
563,750		584,000
		—
Rate of Conversion for Budget of 1921.		Rate of Conversion for Budget of 1922.
40	Swiss francs = 100 French francs = 50	Swiss francs.
22	" " = 1£. = 24	" "
6.20	" " = 1 dollar (American) = 5.50	" "
25	" " = 100 Italian lire = 25	" "
- 8	" " = 100 marks (German). = 12	" "

SUB-HEAD E.—CONFERENCES AND ENQUIRIES.

1921.	Sub-divisions.	1922.
—	—	—
Swiss francs.		Swiss francs.
250,000	1. Annual Conferences (hire, preparation of hall, reporting and publication of provisional and final records)	200,000
150,000	2. Enquiries and investigations	150,000
275,000	3. Commissions	200,000
100,000	Printing, stationery, postage, etc., for Commissions	80,000
62,500	4. Emergency expenditure (including temporary staff for Conference)	50,000
837,500		680,000

SUB-HEAD F.—NON-RECURRING EXPENDITURE.

260,000	1. Office, repairs to buildings	100,000
150,000	2. Office equipment and additional furniture	60,000
70,000	3. Typing and calculating machines, duplicators, dictaphones, etc.	30,000
	4. Construction of temporary accommodation or enlargement of office building	Nil.
480,000		190,000

SUB-HEAD G.—EMERGENCY EXPENDITURE.

178,750	Emergency expenditure	285,038
---------	---------------------------------	---------

ANNEX 8:—Report of Committee No. IV on the Financial Administration of the League.

I.—GENERAL OBSERVATIONS.

The early period of the life of the League was a difficult time from the point of view of finance.

Difficulties arose, on the one hand, from the fact that the League was suddenly confronted by problems which increased every day in number and in importance and which called for expenditure on the part of the League, and on the other hand, from the fact that a system of financial regulations was almost completely lacking. One of the few provisions existing of this matter—that contained in the last paragraph of Article 6 of the Covenant, dealing with allocation of the expenses of the League of Nations—is, moreover, very unsatisfactory.

It appears that the rapid increase in expenditure came to an end at the close of the year 1920. Again it is unquestionable that the very severe strictures by the First Assembly to which the rapid growth of the expenditure of the League had given rise did much to check the tendency which had been criticised. The discussions in the Fourth Committee have, moreover, very clearly again emphasised the earnest desire of the Financial Committee of the Assembly to limit, as far as possible, the expenditure of the League of Nations, and the Fourth Committee is glad to report that the budget, as it is submitted to the Assembly, amounts to only 20,758,945 gold francs, whilst the budget for 1921 amounted to 21,250,000 gold francs.

The other cause of the difficulties was found in the almost complete absence of financial control. Before the meeting of the First Assembly, the Council had already adopted measures to remedy this state of affairs, and the First Assembly, with the same object in view, adopted the Recommendation of 17th December 1920, containing a provisional code of rules for the administration of the finances of the League of Nations. This Recommendation contains provisions for the preparation and the definite adoption by the Assembly of the General Budget of the League of Nations, which includes the Budget of the International Labour Organisation, provisions regarding the procedure to be followed when incurring unforeseen expenditure, regarding transfers from one appropriation to another, regarding the working capital fund, regarding the auditing of the accounts and receipts, and their adoption by the Assembly, and, finally, regarding the allocation of expenditure as between the Members of the League of Nations.

II.—AMENDMENT OF THE RECOMMENDATION OF THE ASSEMBLY, DATED 17TH DECEMBER 1920, ON THE QUESTION OF THE FINANCES OF THE LEAGUE OF NATIONS.

The Recommendation of 17th December 1920 laid the requisite legal foundation for a practical and satisfactory administration of the finances of the League of Nations. While it is true that it covers the whole ground of administration, it constitutes, however, only a first step towards a final settlement of a matter which is of such importance for the life of the League. The First Assembly, therefore, in the Recommendation itself, requested the Council to draw up, for the annual session of the Assembly in 1921, if experience should prove it advisable, a Resolution to strengthen and improve the financial administration. It is evident from the memorandum of the Secretary-General and from the Resolution adopted by the Council on 30th August 1921, that the Council considered that it would not be expedient to draw up final regulations so long as the Assembly had not expressed its opinion in the portions of the Report of the Commission of Experts which dealt with this administration.

The Fourth Committee was completely in agreement with this view, but, as the Assembly has now formulated its opinions on the remarkable work of the Commission of Experts, it is of opinion that the Council should be requested to enter at once on the preparation of the Draft Resolution, in order that it may be submitted to the Members of the League at a very early date, so as to enable the Third Assembly to adopt a final Resolution.

Article 6 of the Recommendation of 17th December 1920 was to the effect that extraordinary expenditure could only be incurred under the last item of Chapter 2 (Article 27 of the Budget for 1921) by virtue of a special resolution of the Council. As regards the Budget for 1921, a similar permission must be obtained for the unforeseen expenditure referred to in Article 25.

While the Recommendation of 17th December 1920 does not authorise the transfer of credits from one item of the budget to an item of another chapter, it provides, for the year 1921 alone, the possibility of transfer from one item of the Budget to another of the same chapter. In accordance with the memorandum of the Secretary-General and the Resolution adopted by the Council on 30th August 1921, even the transfer of credits from one chapter

to another might perhaps be permitted, but the Council merely indicates to the Assembly the expediency of continuing, in 1922 also, transfers of credits from one item to another of the same chapter with the special permission, of course, of the Council. The Fourth Committee agreed to adopt this Recommendation.

The financial paragraphs of the Report by the Commission of Experts (paragraphs 56-71, 88-91 and 126-129) have already been dealt with in M. Noblemaire's Report on the whole work of the Commission of Experts. If the present Report returns to this subject—as briefly as possible—it is because the financial proposals of the Commission of Experts as they were carried by the Assembly entail a certain number of modifications of the Recommendation of 17th December 1920, and must therefore also appear in the present Report.

The Fourth Committee, in the first place, adopts the idea of the Commission of Experts that the Council should be advised to appoint a Commission of Control which should be entirely independent of the body responsible for the measures involving expenditure, and which should lay before the Assembly its opinion on the Draft Budget (paragraphs 57-59). It is of course understood that the appointment of the Commission of Control by the Council does not in any way prejudice the Assembly's right to nominate a similar Committee.

On the other hand, the Committee was of the opinion that it would not be necessary to attach to the Commission of Control a special salaried financial expert, in addition to the Appropriation Officer, whose duty it is to make sure, before any expense is incurred, that there is proper budget provision for it, and in addition also to the auditors mentioned in Articles 8-10 of the Assembly's Recommendation referred to above, whose report will in future be submitted to the Commission of Control. The Committee decided to retain the Appropriation Officer (paragraph 89) and to place him under the orders of the Commission of Control. It recommended, however, that one at least of the three or five members of the Commission should be a financial expert.

The Fourth Committee proposes that the calendar year which had been adopted as the financial year by the First Assembly should continue to be the financial year (paragraphs 63-65). It concurred in the proposals regarding submission of the Budget (paragraphs 66-70), which, moreover, had already been to a large extent applied in the General Draft Budget for 1922. The Committee also recommends the suggestions of the Committee of Experts contained in paragraphs 88, 90 and 91, relating to the organisation of the Financial Director's Section.

With regard to the Working Capital Fund (paragraph 71), which already occasioned long discussion in the First Assembly, the Committee adopts the proposals contained in paragraph 71. It is of opinion that the maximum amount of the Working Capital Fund might be fixed at 5,000,000 gold francs. Moreover, sums could not be paid into the Fund without the sanction of the Assembly. It follows that the excess of receipts over expenditure, if any, at the end of a financial year, must be carried to the account of the following year. The International Labour Office may, if necessary, obtain assistance, as it has done in the past, from the Working Capital Fund proportionately to its Budget, but it is not to be allowed to have a special fund at its disposal.

Recoverable advances on account of the Working Capital Fund made during the last financial period shall be shown in the statements to be attached to the Draft Budgets in accordance with Article 2 of the Recommendation of 17th December 1920, regarding the administration of the finances of the League of Nations. Finally, the final regulation of the financial administration of the League shall contain definite provisions regarding the administration of the Working Capital Fund.

As regards the financial control of the International Labour Organisation, the Recommendation of 17th December 1920 had already provided for the same guarantees as in connection with the other organisations of the League (paragraphs 126-129 of the Report by the Commission of Experts are based on similar principles). They recommend more especially that the Commission of Control, to which a certain number of delegates of the Governing Body of the International Labour Office could submit the estimates for that organisation, should have the same powers in this connection as over the finances of the other organisations of the League. The fact that the Assembly definitely votes the sum total of the League's Budget has led the Fourth Committee also to adopt the idea that the Governing Body of the International Labour Office should be empowered to make a statement regarding its Budget. The Fourth Committee suggests that the Governing Body should be empowered for this purpose to appoint a representative who might attend in an advisory capacity any meetings of the Assembly dealing with the Budget. It is, of course, understood that such a representative could not rise to speak unless invited to do so by the President.

The question of the allocation of the expenses of the League is dealt with in a special report. Moreover, a certain number of amendments to the Covenant concerning the finances of the League have been studied by the First Commission.

In accordance with the above remarks, the Fourth Committee has the honour to submit the following Recommendation to the Assembly :—

Recommendation.

The Assembly of the League of Nations requests the Council to continue to regulate the finances of the League of Nations in the spirit of the principles contained in the Assembly Recommendation of 17th December 1920, as modified by the following Articles, and by the recommendations laid down in the Report of the Fourth Committee on the administration of the finances of the League of Nations. Further, the Assembly requests the Council to prepare for the annual meeting of the Assembly of 1922 a final resolution regarding the administration of the finances of the League of Nations.

Article 1.—The Assembly recommends the Council to appoint a Commission of Control of three or five members, one of whom at least shall be a financial expert. The Council shall select the Commission from amongst the Members of the League of Nations in such a way as to include Members of the League which are not represented on the Council.

Draft Budgets and other documents contemplated in Articles 1 and 2 of the Recommendation adopted on 17th December 1920 shall be submitted to the Commission of Control before being submitted to the Council. The Draft Budget of the International Labour Organisation shall be laid before the Commission of Control by four members of the Governing Body, two of whom might be selected from the delegates of Governments, one from employers' delegates and one from the workers' delegates. The Governing Body shall decide whether the Director or Deputy Director of the International Labour Office shall be added to the Delegation.

A representative of the Governing Body shall be authorised to attend in an advisory capacity any meetings of the Assembly that deal with the Budget. It is, of course, understood that the representative in question cannot rise to speak except on the invitation of the President.

The appropriation officers, whether members of the Secretariat or of the International Labour Office, shall be responsible to the Commission of Control.

Article 2.—Article 6 shall read as follows :—

“Expenditure can be incurred only by virtue of a warrant signed by the Secretary-General or one of his deputies specially authorised thereto. This warrant shall mention the fiscal period and the budget item to which the expenditure is to be charged, and cannot be given until the official appointed for the purpose (Appropriation Officer) has certified that the item of expenditure is represented in the Budget by a corresponding credit. Unforeseen expenditure, however, can only be incurred under Article 25 of the General Budget for 1922 if it is authorised by a special resolution of the Council, which must be immediately communicated to the Members of the League of Nations. During the year 1922 transfers from one item to another of the same chapter can be effected by virtue of a special resolution of the Council, which must be immediately communicated to all the Members of the League of Nations.”

Article 3.—The following sentence shall be added to Article 7 :—

“Additions to this fund, which may not exceed 5,000,000 gold francs, cannot be made except with the approval of the Assembly. If the fund exceeds 5,000,000 gold francs, the excess shall be carried forward to the credit of the next financial period. The International Labour Organisation may continue to obtain, if necessary, assistance from the Working Capital Fund proportionately to its budget.”

Article 4.—Insert in Article 9, after the word “auditors,” “and to the Commission of Control.”

Article 5.—Article 10 shall read as follows :—

“Three months before the annual session of the Assembly, the Commission of Control and the auditors shall present to the Council, or in the case of the International Labour Organisation, to the Governing Body, a Joint Report on the correctness, etc.”

III.—PARTICIPATION IN THE EXPENSES OF THE TECHNICAL ORGANISATIONS OF THE LEAGUE BY STATES WHICH PARTICIPATE IN THE ORGANISATION WITHOUT BEING MEMBERS OF THE LEAGUE.

The Fourth Committee was pleased to note the resolution of the Council of 2nd September 1921, authorising the Secretary-General to request the States which are not Members of the League of Nations, but which form part of the technical organisations of the League, to pay their share of the expenses of the technical organisations in which they participate from the beginning of the fourth financial year of the League (1922). The Commission therefore proposes the following recommendation to the Commission :—

Recommendation.

The resolution of the Council of 2nd September 1921, authorising the Secretary-General to request the States which are not Members of the League of Nations, but which form part

of the technical organisations of the League, to pay their share of the expenses of the technical organisations in which they participate, from the beginning of the fourth financial year of the League (1922), should be incorporated in the final regulations of the financial administration of the League.

IV.—INCOME AND EXPENDITURE ACCOUNTS.

In accordance with Article 8 of the Assembly Recommendation dated 17th December 1920, the Council, in a Resolution of 23rd February 1921, requested the Swiss Government to authorise the Audit Department of its Ministry of Finance to undertake the duty of auditing the income and expenditure accounts for the second financial period extending from 1st July to 31st December 1920. The Berne Government has been so good as to instruct M. Ryffel, Head of the Federal Departments of Banking and Accounts, and M. A. Kohler, Deputy Controller of the Federal Finances, to audit the accounts in question. At the request of the Director of the International Labour Office, these gentlemen also undertook the auditing of the income and expenditure account of the International Labour Organisation for the second financial period extending from 1st April to 31st December 1920. The two reports of the expert auditors show that they were completely satisfied with the accounts of the Secretariat and of the International Labour Office.

After a detailed examination of the balance-sheets and of the income and expenditure accounts, the Fourth Committee decided to propose to the Assembly that it should, in virtue of Article 12 of the Recommendation of 7th December 1920, cited above, finally pass the expenditure and receipts of the second fiscal period. The Committee added to this proposal the desire that in the future a cash account should be subjoined to the balance-sheet, and to the income and expenditure account, and that this cash account should also be submitted to the expert auditors, who would also audit the expenditure of the Working Capital Fund account. It must also be understood that the documents emanating from the International Labour Office must no longer be expressed in sterling currency.

In virtue of these remarks, the Fourth Committee has the honour to submit the following Resolution to the Assembly for adoption :—

Resolution.

In virtue of Article 12 of the Recommendation, dated 17th December 1920, on the administration of the finances of the League of Nations, the Assembly of the League of Nations finally passes the expenditure and income accounts for the second fiscal period, terminating on 31st December 1920.

V.—BUDGET FOR 1922.

The arrangement of the General Budget for 1922 and the Budget of the International Labour Office, which is attached to it, gives rise to only a few general observations. The Fourth Committee was gratified to note that the suggestions put forward by the Commission of Experts regarding the introduction of the Budget had already in great measure been given effect to in the Draft Budget presented by the Secretary-General. If the estimates for the Labour Organisation are not yet in complete agreement with these suggestions, this is due solely to the fact that the draft had to be prepared at a date when the views of the Commission of Experts were not yet known. The Fourth Committee is satisfied that the Director of the International Labour Office fully shares its views as to the necessity for adopting in the future the same arrangement for the special Budget of the International Labour Organisation, as well as for the schedules and explanatory notes, as for the General Budget of the League.

The estimates laid before the Assembly amounted to a total of 23,768,846 gold francs, of which 8,245,046 gold francs was on account of the International Labour Office. The estimates which the Fourth Committee proposes that the Assembly should adopt amount only to 20,758,945 gold francs, of which 6,135,610 gold francs is on account of the International Labour Office.

This heavy reduction represents economies which it has been possible to realise and which are to a certain extent explained by the fact that the Secretary-General and the Director of the International Labour Office have to present their estimates at the beginning of the year (see Articles 1 and 2 of the Recommendation of the Assembly adopted on 17th December 1920). It has been possible to deduct from the Budget of the International Labour Office an item amounting to 1,364,390 gold francs, by the suppression of the Special Working Capital Fund for that organisation, the General Working Capital Fund fixed at 5,000,000 gold francs being sufficient for the needs both of the Secretary-General and of the Director of the International Labour Office. It is clear that it will be impossible to repeat a reduction of this kind next year. Amongst the reductions made by the Fourth Committee, there appears a general reduction of 25 per cent. on everything connected with printing expenses, this being due to the general fall in prices in this department.

Though a considerable number of reductions have been introduced into the Budget, the Fourth Committee also proposes the inclusion of a certain number of new credits, which are largely accounted for by Resolutions of the Assembly itself.

Five schedules are attached to the present Report, the first and fourth of which indicate the modifications entailed by the fact that the Secretary-General and the Director of the International Labour Office are forced to prepare their estimates for the following year as early as the beginning of the financial year. The second schedule sets out the modifications necessitated by Resolutions of the Assembly itself, and the third and fifth schedule, reductions introduced at the suggestion of the Fourth Committee.

The detailed and thorough examination to which the Fourth Committee has subjected the estimates for 1922 has brought to light a very considerable amount of information, and full explanations were asked for and given. As regards details of these questions, this Report can only refer to the minutes of the 13th-17th meetings of the Committee. It is necessary, however, to emphasise a few special points.

If the Fourth Committee has agreed to the credits requested for a subsidiary office for South America (item 3c and item 6b of the General Budget), it has done so on the clear understanding that this office would not be set up before the Council had drawn up a definite scheme for its organisation.

The Fourth Committee, in proposing that the Assembly should grant a special credit of 45,000 gold francs with the object of publishing the *Monthly Bulletin* in several languages (item 8 of the General Budget), is convinced that the Information Section will exercise a wise selection with regard to these languages and will not neglect Hindustani.

With regard to the special estimates dealing with the various items of the General Budget (special organisations of the League), the Committee calls attention to the necessity for these estimates being as detailed as possible.

The important question of the Working Capital Fund has already been dealt with in section 2 of the present Report.

The question of a new building for the International Labour Organisation has long engaged the attention of the Financial Committee of your Assembly. In this connection the Committee passed the following Resolution:—

“The Committee, being invited to take a decision on the principle of the acquisition of a building for the International Labour Office, recognises the urgent necessity of a speedy solution of the question, but finds itself to its sincere regret obliged to defer for one year the solution of this important question:

In order, however, to manifest its good-will in this matter, the Committee enters a credit of 20,000 Swiss francs under this appropriation, for the purpose of making plans, estimates, etc., or of making a contract of option in respect of premises for the International Labour Office.”

It follows from this Resolution that the Fourth Committee is of opinion that the 1922 Assembly must have submitted to it a definite and precise proposal as regards the definite installation of the International Labour Office. Meanwhile, the Committee proposes that the Assembly should vote a sum of 12,000 gold francs to be set apart for renting a house near the building at present in use, and for the carrying out of certain improvements and re-arrangements (Division F of the Budget of the International Labour Office), and also a sum of 2,000 gold francs (Division H of the same Budget).

To reduce as far as possible the expenditure of the League of Nations the Fourth Committee recommends finally that for the preparation of new estimates, and for such options as may be contracted, all supplies and articles required by the Secretariat or the International Labour Office, where large quantities are involved (for prices exceeding 10,000 francs), should be obtained as far as possible by means of public tender. A detailed advertisement should accordingly be inserted in two leading foreign newspapers, and also in the *Monthly Bulletin* of the League of Nations.

During the present session of the Assembly, in accordance with the fifth Article of the Recommendation of 17th December 1920, a certain number of proposals were made to the Fourth Committee by the Secretariat and the International Labour Office. The result of these proposals was to modify the General Budget and that of the International Labour Office. The Commission is of opinion that in future all modifications of the Budget which the Secretariat or the International Labour Office would wish the Assembly to adopt should be contained in one document and submitted at the beginning of the session of the Assembly.

On several occasions the Secretariat brought before the Fourth Committee supplementary estimates to cover expenditure resulting from resolutions submitted by certain Committees to the Assembly or which had already been passed by it. The Fourth Committee has, without exception, adopted these supplementary estimates, even when the particular Committee had failed to state the sum it deemed necessary for the execution of its draft resolution. The Fourth Committee is of opinion, however, that, in the interest of a satisfactory administration of the finances of the League, the Assembly should never in future pass a resolution resulting in expenditure without first consulting the Financial Committee of the Assembly as to the advisability of incurring such expenditure in its relation with the general possibilities of the Budget. The Fourth Committee has, therefore drafted an amendment to the second paragraph of the Article 14 of the Rules of Procedure of the Assembly and has submitted it to the First Committee.

Finally, and in accordance with the foregoing, the Fourth Committee has the honour to propose the following Resolution to the Assembly :—

Resolution.

"The Assembly of the League of Nations, in accordance with Article 4 of the Recommendation on the administration of the finances of the League of Nations, dated 17th December 1920, accepts for the fiscal period 1922, the General Budget of the League and the Budget for the International Labour Office, which are herewith attached and which will be published in the Official Journal."

I.—MODIFICATIONS IN THE BUDGET PROPOSED BY THE COUNCIL OR THE SECRETARIAT.

Increases.		Reductions.	
Item.	Gold Francs.	Item.	Gold Francs.
3 (a). Salaries of the Secretariat, Information Section	106,300	9. General office expenses, etc.	
8. Publication Department, additional appropriation for <i>Monthly Bulletin</i>	45,000	(c) Cables, etc.	40,000
24 (a). High Commissariat for Russian Refugees	119,000	13. Economic and Financial organisation	736,000
34. Wireless receiving installation	2,449	15. Transit :	
Total increase	272,749	Cancellation of Director's salary	52,500
		27. Interest on 4,000,000 Swiss francs for six months	9,423
		29. Interest on 3,500,000 Swiss francs for six months	8,245
		32. Furniture and fittings	9,423
		35. Working Capital Fund	500,000
		Total reduction	1,355,491
		Total increase	272,749
		Net reduction	1,082,842

II.—MODIFICATIONS TO THE BUDGET CONSEQUENT UPON THE ADOPTION BY THE ASSEMBLY OF VARIOUS REPORTS.

Increases.		Reductions.	
Item.	Gold Francs.	Item.	Gold Francs.
4 (a). Travelling expenses of Members of the Secretariat returning home on leave	50,000	5. Frais de représentation (suppression of the frais de représentation of one Under Secretary-General)	21,000
7 (b). Travelling and subsistence allowances of Commission of Control	12,500	Total reduction	21,000
(c). Expenses of outside persons nominated as Members of the Salaries Adjustment Commission	5,000	Total increase	442,500
15. Transit Organisation (regional conferences)	50,000	Net increase	421,500
20. Temporary Commission for the Reduction of Armaments	275,000		
23. Commission of Enquiry on Deportation of Women and Children in Armenia, etc.	50,000		
Total increase	442,500		

III.—MODIFICATIONS IN THE BUDGET PROPOSED BY THE FOURTH COMMITTEE.

Increases.		Reductions.	
Item.	Gold Francs.	Item.	Gold Francs.
		9. General Office expenses :	
		(a) Stationery	50,000
		8. Publication Department	103,750
		14. Mandates—printing	2,500
		15. Transit organisation—printing	6,250
		17. International Health Organisation—printing	7,875
		18. Supervision of the Opium Traffic—printing	3,750
		19. Social Questions—printing	3,750
		33. Library	61,248
		Total reduction	239,123

IV.—MODIFICATIONS IN THE BUDGET PROPOSED BY THE INTERNATIONAL LABOUR OFFICE.

Increases.		Reductions.	
	Swiss Francs.		Swiss Francs.
<i>Division C.</i>		<i>Division B.</i>	
1. Rent, light and heat	30,000	1. Travelling expenses of staff and allowances	50,000
7 (b). Printing, legislative series	20,000	<i>Division C.</i>	
9. Transformation and welfare arrangements for staff	50,000	3. Stationery, etc.	50,000
<i>Division D.</i>		4. Post, telegraph and telephone	50,000
4. Rome office	15,000	5. Library	40,000
<i>Division E.</i>		7 (a). Printing, studies and reports	20,000
1. Annual conference	50,000	8. Printing daily intelligence	30,000
Total increase	165,000	10. Unforeseen expenses	30,000
		<i>Division D.</i>	
		1. Paris office	3,000
		2. London office	12,000
		<i>Division E.</i>	
		2. Enquiries and investigations	75,000
		3. Commissions	50,000
		4. Printing, stationery, postage, commissions, etc., for	30,000
		<i>Division F.</i>	
		1. Office repairs to building	70,000
		Total reduction	510,000
		Net reduction	345,000

V.—MODIFICATIONS TO THE BUDGET PROPOSED BY THE FOURTH COMMITTEE.

Increases.		Reductions.	
	Swiss Francs.		Swiss Francs.
<i>Division G.</i>		<i>Division G.</i>	
1. Emergency	34,325	Unappropriated balance	500,000
Preparation of plans or purchase of options	20,000	Total reduction	500,000
Total increase	54,325	Net reduction	445,675

Chapters IV and V.

Total reduction in Swiss francs = 790,675.

Total reduction in gold francs = 745,046.

SUMMARY.

	Reductions.
	Gold Francs.
I. Modifications to the Budget proposed by the Council or Secretariat	1,082,842
III. Modifications to the Budget proposed by the Fourth Committee	239,123
	1,321,965
II. Modifications to the Budget consequent upon the adoption by the Assembly of various reports	421,500
	900,465
IV and V. Modifications in the Budget of the International Labour Organisation (net reduction)	745,046
Surplus credited to International Labour Office	1,364,390
	3,009,901
General Budget of the League	20,758,945
	23,768,846

¹ The total was subsequently raised to 20,873,945 gold francs, owing to the voting of a credits of 100,000 and 15,000 gold francs for the despatch of a Commission of Enquiry to Albania and for the further meetings of the Committee on Allocation of Expenses. (Appendix II, Resolution No. 20.)

ANNEX 9.—*Traffic in Opium and other dangerous Drugs.*

RESOLUTION ADOPTED BY THE COUNCIL ON THE 28TH JUNE 1921.

The Council of the League of Nations resolves :—

1. That States which are Members of the League and have not signed or ratified the International Opium Convention be invited to do so as soon as possible.

2. That the Netherlands Government be requested to continue its efforts to secure ratification of the International Opium Convention by those States which are not Members of the League.

3. That the Provisional Health Committee of the League, or any other similar organisation, be asked to undertake an enquiry to determine approximately the average requirements of the drugs specified in Chapter III of the International Opium Convention for medical and other legitimate purposes in different countries.

4. That in order to carry out the obligations under Articles 3 and 5 and under Article 13 of the International Opium Convention, the Governments which are parties to the Convention be invited to adopt the following procedure :—

“Every application for the export to an importer of a supply of any of the substances to which the Convention applies shall be accompanied by a certificate from the Government of the importing country that the import of the consignment in question is approved by that Government and is required for legitimate purposes.

In the case of drugs to which Chapter III of the Convention applies, the certificate shall state specifically that they are required solely for medicinal or scientific purposes.”

5. That the special attention of the Contracting Powers having treaties with China be invited to the provisions of Article 15 of the International Opium Convention, so that the most effective steps possible should be taken to prevent the contraband trade in opium and other dangerous drugs.

6. That consideration of the Fifth Recommendation of the Advisory Committee on Traffic in Opium be deferred.

7. That in view of the world-wide interest in the attitude of the League towards the Opium question, and of the general desire to reduce and restrict the cultivation and production of opium to strictly medicinal and scientific purposes, the Advisory Committee on Traffic in Opium be requested to consider and report, at its next meeting, on the possibility of instituting an enquiry to determine approximately the average requirements of raw and prepared opium specified in Chapters I and II of the Convention for medical and scientific purposes in different countries.

REPORT SUBMITTED TO THE ASSEMBLY BY COMMITTEE NO. V.

The abuse of opium is a widespread and terrible scourge in many countries; moreover, it has been realised that it was indispensable to combat this evil, but it was quickly perceived that merely national measures were inadequate.

It was felt, therefore, that this scourge could only be overcome by international agreements.

The International Commission, assembled at Shanghai in 1909, was the first move in this direction. It paved the way for the Hague Conference of 1911-12, which resulted in the conclusion of the Convention of 23rd January 1912. This Convention was to come into force on 31st December 1914, but the outbreak of war unsettled everything. However, the authors of the Treaty of Versailles devoted consideration to the opium peril, and, in Article 23 of the Covenant, they entrusted the League of Nations with the duty of controlling the traffic in opium and other dangerous drugs.

The first Assembly decided at its meeting of 15th December 1920 to establish an Advisory Committee, which, three months before the beginning of each meeting, should submit to the Council a report on all subjects referring to the execution of the agreements regarding the traffic in opium. This Committee met on 2nd to 5th May last.

It began by drawing up a questionnaire as to the measures taken to carry out the terms of the Convention, and this questionnaire was sent by the Secretariat to the various Governments. It also drew up six recommendations which were submitted to the Council. The latter took note of them and passed a resolution containing seven paragraphs.

The Fifth Committee of the second Assembly began its labours, therefore, with these data at its disposal, that is to say, the recommendations of the Advisory Committee and the Council's resolution. It was also assisted in its task by the enlightened assistance of two experts, M. van Vettum and Sir Malcolm Delevingne. The Committee noted in the first place that the Council in its resolution dated 28th June (*see* Annex 228 to the Minutes of the 13th Session of the Council), fully approved four out of the six recommendations of the Advisory Committee, but that, on the other hand, it postponed one of these recommendations and widened the scope of another.

It concurred in four paragraphs of the Council's resolution, namely, paragraphs 1, 2, 4 and 5, and also the second recommendation of the Advisory Committee (*see* A. 38, 1921, IV), which was to the effect that each State should make an Annual Report on the carrying out of the Convention. (This recommendation had been approved by the Council, but did not form part of the text of Council's resolution.) But, as differences of opinion had arisen with regard to the other paragraphs, that is to say, Nos. 3, 6 and 7, the Committee appointed a Sub-Committee to reconcile these initial divergencies if possible.

This Sub-Committee held four meetings, and, in spite of the great differences in the views of its members, it was able to arrive at a definite result, thanks to the conciliatory spirit manifested by both sides and thanks also to the skilful guidance of its President, M. de Marees van Swinderen. The report submitted by M. van Swinderen was unanimously adopted by the Fifth Committee.

The Delegates of China and of Siam made a reservation regarding the change proposed in this report as regards paragraph 7 of the Council's resolution.

What, therefore, are the conclusions laid down before the Assembly by the Fifth Committee in regard to the traffic in opium?

They are as follows:—

Besides the four paragraphs, referred to above, of the resolution of the Council dated 28th June, the Committee submits eight recommendations which I shall have the honour of reading to you, and which, I hope, will be accepted by the Assembly.

1. The Assembly concurs in paragraph 3 of the Council's Resolution on the understanding that the enquiries undertaken will be of a scientific character, and that, when they apply specifically to any particular country, they will be made through, or with the consent of, the Government of that country.

2. The Assembly recommends to the Council that, in paragraph 5 of the latter's resolution, it should also draw the attention of the Government of China to Article 15 of the International Convention on Opium.

3. The Assembly recommends to the Council that the enquiry referred to in paragraph 7 of the latter's resolution should be extended to include all opium the consumption of which may be considered legitimate, and that to this end the word "strictly" be omitted, and the word "legitimate" be substituted for "medicinal and scientific." It further recommends to the Council the omission of the reference to prepared opium, that is to say, to opium prepared for purposes of smoking, the complete suppression of which is provided for in Chapter II of the Convention.

4. The Assembly recommends to the Council that the different Governments be invited, where they see no objection, to furnish to the Secretariat, in addition to the official annual report, any information concerning the illicit production, manufacture or trade in opium or other dangerous drugs which they think likely to be useful to the League in the execution of its task.

5. The Assembly recommends the Council to consider whether all nations specially concerned in either the growth or manufacture of opium or other dangerous drugs should not be represented on its Advisory Committee.

6. The Assembly urges those States Members of the League¹ which have not yet signed and ratified the Opium Convention to do so as soon as possible.

7. In order to facilitate the execution of the Convention, the Assembly urges all States Members of the League which are parties to the Convention to signify to the Secretariat as soon as possible their acceptance of the fourth recommendation of the Advisory Committee relating to the requirement of importation certificates.

8. The Assembly recommends the Council to request the Advisory Committee to extend their investigations to include not only the drugs mentioned in the Convention of 1912, but also all dangerous drugs of whatever origin which produce similar effects, and to advise as to the desirability of convoking a further international conference of States which are parties to the Convention, as well as States Members of the League of Nations, with a view to drawing up a Convention for the suppression of the abuse of such drugs.

Having placed before you the various recommendations, I must make the following observations with regard to three of them:—

As regards the second recommendation, the Committee, after having heard the statements of the Delegate of China on the steps taken by the Government of China in respect of the cultivation of opium, is of opinion that, in accordance with paragraph 6 of the Resolution of the Council, the consideration of Recommendation No. 5 of the Advisory Committee may be

¹ The following Members of the League have not yet ratified the Opium Convention of 1912 nor signed the Protocol of 1914:—Albania, Argentine, Chile, Columbia, Costa Rica, Finland, Paraguay, Persia, Salvador, Switzerland.

The following have ratified the Convention, but not signed the Protocol of 1914:—Denmark, Venezuela.

postponed. The statements of the Delegate of China, of which the Committee takes note are as follows :—

“ Between 25th June and 15th August last the Chinese Government appointed seven special High Commissioners to investigate the real situation in eight provinces and two special administrative districts where a recrudescence of poppy cultivation is reported to have been taking place. These Commissioners have started on their mission and some are already beginning their investigations. I believe the Chinese Government will be disposed to make available to the League of Nations the results of these investigations after they are laid before the Chinese Government.”

As regards the third recommendation, the grounds for the alterations recommended by the Committee in paragraph 7 of the Council's resolution are to be found in the very special conditions obtaining in various countries, particularly in India. The Indian Delegate has informed the Committee that the number of properly equipped hospitals and dispensaries in India is inadequate to the needs of the population, which over vast areas is without medical assistance. In order to cope with the diseases with which some of these regions are constantly infected, the population has cultivated the opium poppy from time immemorial,* and habitually takes opium in small doses as a prophylactic or an effective remedy. It is this use of opium which cannot be styled purely medical, *i.e.*, that which is prescribed by a physician, that the Committee has in mind in using the term “ legitimate.”

With regard to the subject of the eighth recommendation, it should be noted that it was at the suggestion of M. Hennessy (France) that the attention of the Fifth Committee was drawn to this subject. M. Hennessy emphasised the abuses due to the sale and consumption of drugs of mineral or chemical origin which are not covered by the terms of the Hague Convention of 1912, observing that the scourge which formerly ravaged the East had since the war become universal, that chemically manufactured drugs were hawked, sold at low prices and consumed in large quantities, and that in view of the fact that the legislation existing in the various countries was insufficient, it was imperative that a further international conference should meet.

I would also draw attention to the representations made by the Persian Delegate, Prince Arfa-ed-Dowleh, as to the desirability of the League of Nations undertaking propaganda work amongst Eastern populations addicted to opium by the distribution of pamphlets pointing out the dangers of consuming this drug.

The question of the control of the traffic in opium and other dangerous drugs is one of world-wide importance and well worthy of the deepest interest of the Assembly. The first step towards establishing the control with which the League is entrusted by the Treaties of Peace was taken by the Assembly last year, and a satisfactory beginning has already been made. No comprehensive survey of the actual position at the present time will be possible until the replies to the questionnaire which has been issued by the Secretariat have been received and analysed. The results of the questionnaire will be laid before the next Assembly. In the meantime, as will be seen from what has been said above, useful steps have already been taken on the advice of the Advisory Committee which will facilitate the execution of the Convention; and the further suggestions which the Fifth Committee has made in this report will, it is hoped, help to advance the matter still further.

Finally, it should be pointed out that the control of the traffic is attended with great difficulties. Attention was called to some of these difficulties in the case of Eastern countries by the delegate of Persia. It is only by an international body such as the League that these difficulties can be overcome; and for this the wholehearted continuous and efficient co-operation of all the Members will be needed. The Committee ventures to appeal to all Members of the League for such co-operation.

ANNEX 10.—*Draft International Convention for the Suppression of the Traffic in Women and Children, as revised by the drafting Committee appointed by Committee No. V.*

Albania, etc.

Being anxious to secure more completely the suppression of the Traffic in Women and Children described in the preambles to the Agreement of 18th May 1904, and to the Convention of 4th May 1910, under the name of “ White Slave Traffic ”;

Having taken note of the Recommendations contained in the Final Act of the International Conference which was summoned by the Council of the League of Nations and met at Geneva from 30th June to 5th July 1921; and

Having decided to conclude a Convention supplementary to the Agreement and Convention mentioned above:

Have nominated for this purpose as their Plenipotentiaries the President of the Supreme Council of Albania, etc., who, having communicated their full powers, found in good and due form, have agreed upon the following provisions :—

Article 1.—The High Contracting Parties agree that, in the event of their not being already Parties to the Agreement of 18th May 1904 and the Convention of 4th May 1910

* See paragraph 135 of the Report.

mentioned above, they will transmit with the least possible delay their ratifications of, or adhesions to, those instruments in the manner laid down therein.

Article 2.—The High Contracting Parties agree to take all measures to discover and prosecute persons who are engaged in the traffic in children of both sexes and who commit offences within the meaning of Article 1 of the Convention of 4th May 1910.

Article 3.—The High Contracting Parties agree to take the necessary steps to secure the punishment of attempts to commit, and, within legal limits, of acts preparatory to the commission of, the offences specified in Articles 1 and 2 of the Convention of 4th May 1910.

Article 4.—The High Contracting Parties agree that in cases where there are no extradition Conventions in force between them, they will take all measures within their power to extradite or provide for the extradition of persons accused or convicted of the offences specified in Articles 1 and 2 of the Convention of 4th May 1910.

Article 5.—In paragraph B of the final Protocol of the Convention of 1910, the words "twenty completed years of age" shall be replaced by the words "twenty-one completed years of age."

Article 6.—The High Contracting Parties agree, in case they have not already taken legislative or administrative measures regarding licensing and supervision of employment agencies and offices, to prescribe such regulations as are required to ensure the protection of women and children seeking employment in another country.

Article 7.—The High Contracting Parties undertake in connection with immigration and emigration to adopt such administrative and legislative measures as are required to check the traffic in women and children. It particularly, they undertake to make such regulations as are required for the protection of women and children travelling on emigrant ships, not only at the points of departure and arrival, but also during the journey, and to arrange for the exhibition, in railway stations and in ports, of notices warning women and children of the danger of traffic, and indicating the places where they can obtain accommodation and assistance.

Article 8.—The present Convention of which the French and the English texts are both authentic, shall bear this day's date, and shall be open for signature until 31st March 1922.

Article 9.—The present Convention is subject to ratification. The instruments of ratification shall be transmitted to the Secretary-General of the League of Nations, who will notify the receipt of them to the other Members of the League and to States admitted to sign the Convention. The instruments of ratification shall be deposited in the archives of the Secretariat.

In order to comply with the provisions of Article 18 of the Covenant of the League of Nations, the Secretary-General will register the present Convention upon the deposit of the first ratification.

Article 10.—Members of the League of Nations which have not signed the present Convention before 1st April 1922 may accede to it.

The same applies to States not members of the League to which the Council of the League may decide officially to communicate the present Convention.

Accession will be notified to the Secretary-General of the League, who will notify all Powers concerned of the accession and of the date on which it was notified.

Article 11.—The present Convention shall come into force in respect of each Party on the date of the deposit of its ratification or act of accession.

Article 12.—The present Convention may be denounced by any Member of the League or by any State which is a party thereto, on giving 12 months' notice of its intention to denounce. Denunciation shall be effected by notification in writing addressed to the Secretary-General of the League of Nations. Copies of such notification shall be transmitted forthwith by him to all other Parties, notifying them of the date on which it was received.

The denunciation shall take effect one year after the date on which it was notified to the Secretary-General, and shall operate only in respect of the notifying Power.

Article 13.—A special record shall be kept by the Secretary-General of the League of Nations, showing which of the Parties have signed, ratified, acceded to or denounced the present Convention. This record shall be open to the Members of the League of Nations at all times; it shall be published as often as possible, in accordance with the directions of the Council.

Article 14.—Any Member or State signing the present Convention may declare that the signature does not include any or all of its colonies, overseas possessions, protectorates or territories under its sovereignty or authority, and may subsequently adhere separately on behalf of any such colony, overseas possession, protectorate or territory so excluded in its declaration.

Denunciation may also be made separately in respect of any such colony, overseas possession, protectorate or territory under its sovereignty or authority and the provisions of Article 12 shall apply to any such denunciation.

Done at _____ the _____ in a single copy, which shall remain deposited in the archives of the League of Nations.

ANNEX 11.—*Report presented to the Assembly by Committee No. VI, on Mandates.*

Resolution adopted by Committee No. VI.

The Committee, having considered the letter of the 19th September, addressed to its Chairman by the Sub-Committee on Mandates, endorses the views expressed in that letter, and recommends the Assembly to make a communication to the Council in accordance with the suggestion of the Sub-Committee.

Letter from President of Sub-Committee "B" to President of Committee No. VI.

Geneva,
19th September 1921.

Sir,

The Sub-Committee has considered the Draft Resolution handed in at the Assembly by Lord Robert Cecil, in the following terms:—

"The Assembly regrets the delay which has taken place in the definition of the Mandates, recognises that the Council is not responsible for that delay, and is of opinion that it would be desirable that the Mandates of the 'A' and 'B' classes should be forthwith defined."

2. The Sub-Committee fully endorses the view expressed in the first part of Lord Robert Cecil's resolution. It, too, regrets the delay which has taken place in the definition of the "A" and "B" Mandates. At the same time it recognises that the fault cannot be said to lie with the Council.

3. The action of the Council in this matter is fully set out on pages 46—47 of its Report, which is before the Assembly (A. 9). In brief, being apprised of the objection of the United States to the definition of the Mandates without previous consultation with themselves, the Council determined to defer confirmation of the remaining Mandates until the Government of the United States had an opportunity of expressing their views. It is understood that negotiations between the principal Allied Powers and the United States are still proceeding, that a Memorandum from the United States was received by these Powers only a few days before the Assembly met and that its terms are now under examination. There would seem no option to the Council but to give time for the conclusion of these negotiations before confirming the remaining Mandates.

4. Nevertheless, the Sub-Committee realises that the delay in the issue of the remaining Mandates may cause anxiety and apprehension, anxiety because the trust conferred by Article 22 of the Covenant of the League of Nations on the Mandatories has not yet been fully defined; apprehension lest, in the absence of the completed Mandates, the sacred trust laid down by that Article may not in all respects be fulfilled.

5. The Sub-Committee has not felt it part of its duties to examine the draft Mandates "A" and "B," nor yet to consider the reports which the Mandatory Governments have in some cases, at any rate, submitted to their national Parliaments, and communicated to the Council for information, upon the administration of the mandated territories confided to their charge during their preliminary period. The world, however, will be able to draw its own conclusions from these documents, which are now public property, and from others which will shortly be available, and it is to be hoped that the anxiety and apprehension alluded to in the previous paragraph will be allayed by their perusal.

6. With regard to the "A" Mandates, the Sub-Committee feels that it would be in any case premature to press for immediate action by the Council. It takes note of the fact that the Treaty of Sèvres has not yet been ratified by the Powers. As to these Mandates, the Sub-Committee would only express its hope that, so long as the transitory conditions continue, the administration of the territories in question will still be carried out in the spirit of Article 22 of the Covenant.

The "B" Mandates, however, are in a different category, seeing that they are founded upon the Treaty of Versailles, which has been ratified. Moreover, drafts of all the "B" Mandates have been before the Council since the beginning of the present year. Even if these drafts are still subject to alteration in details, are not the principles enunciated such as could command the approbation of the Council? Finally, the French and British Governments were charged by the terms of the decision of the Supreme Allied Council of 7th May 1919 with the duty of coming to an agreement upon the future of Togo and the Cameroons, which they would recommend the League of Nations to adopt. This agreement has now been reached and it is desirable that the Council should, at the earliest possible opportunity—

(a) Formally approve the application of the Mandate system to Togoland and the Cameroons;

(b) In particular, adopt, in principle, the declarations signed by the representatives of the French and British Governments on 10th July 1919, as to the respective spheres which are to be placed under the authority of each Government.

7. Accordingly, the Sub-Committee suggests that much will be gained if the Council could be invited by the Assembly forthwith to address a despatch to the Powers entrusted with the administration of the territories referred to in Article 23, paragraph 5, of the Covenant, indicating that, whilst the Council has not felt able to proceed with the confirmation of the "B" Mandates pending the results of the negotiations now proceeding between the principal Allied Powers and the United States, and whilst examination of the details of these Mandates must necessarily be reserved in view of modifications which it may eventually be found suitable to make in the terms of these Mandates the Council is satisfied by its perusal of the drafts (if such should be the case) that generally speaking, the principles there laid down express the high objects which the Covenant has in view and lay down, in a spirit in harmony with that of the Covenant, safeguards for the rights of all Members of the League.

The Sub-Committee would further represent that the Council should now formally approve the application of the Mandates system to Togoland and the Cameroons, and, in particular, adopt in principle the declarations signed by the representatives of the French and British Governments on 10th July 1919, as to the respective spheres which are to be placed under the authority of each Government. Finally, it might be suggested that the Council should express its confidence that Mandatory Powers will continue to exercise the administration of the territories committed to their charge in the spirit of the draft Mandates until such time as the position shall have been definitely regularised.

8. The Sub-Committee feels convinced that this action by the Council, in particular such a communication from the Mandatory Powers, and such a measure of confirmation of the terms of the "B" Mandates, would not only be welcomed by the Mandatory Powers themselves, but would serve as a token to the world of the earnestness of the League in pressing for the speedy realisation of the aims of Article 22 of the Covenant.

APPENDIX IV.

Certain Speeches delivered by the Delegates of India at Plenary Meetings of the Assembly and Resolutions proposed by Sir William Meyer in Committee No. IV.

ANNEX 1.—*Speech delivered by the Right Hon. V. S. Srinivasa Sastri, on the 12th September, in the Debate on the Work of the Council.*

As you have been informed, I come from India, separated from you by many thousands of miles, but I trust you will recognise akin to you, alike in loyalty to the League, in the spirit of humanity, and in zeal for the welfare of our kind. Coming rather late in this debate, I have had the rare advantage of listening to many speeches in connection with our work. I have heard a note here and there of pessimism. I do not wonder. I have heard much criticism, valuable and wholesome to those who are engaged in high and serious tasks, but I am happy to think that the dominant note of all the speeches has been one of hope for the future enthusiasm for the ideals that underlie our work, and for the peace and goodwill amongst the nations of the world that we wish to see established on a firm and unalterable basis. I confess I have been moved to my inmost depths by what I have seen and heard. Hard and cold, indeed, must be the heart that fails to be touched, and touched to noble issues; by a spectacle such as this. The nations of the world foregather from the ends of four continents, representing many shades of colour, many varieties of political and social thought, and many states and grades of culture and advance in all directions—peoples small and great, weak and strong, but all alike weary of the mistaken past, eager for a better day for mankind, and resolved, with bruised and bleeding hearts, to stand by higher ideals for human kind.

And yet one has very often been hearing, during the last few days, of people standing outside the organisation, criticising our work as from a different planet, unconcerned spectators whose only duty is to find fault and fix blame on particular people. I confess I have no patience with that sort of critic. The friendly appraiser of good and evil, who is anxious for improvement, one has use for; one can listen to him with respect and with attention; but to those who will not take a share in the work we can only turn a deaf ear to their cold criticisms. When a man has told me: "The League has not done this," I am inclined to ask whether he is not to blame for it. When he has told me: "There are these tasks still unfinished," I am inclined to ask him: "Why do you not come in and lend a helping hand?" If he says "There is no room for me in the Assembly, which consists only of a certain number of people," my answer to him is that there is work inside the Assembly and there is work outside the Assembly. The work outside is not less important, not less necessary, but sometimes far more difficult, far more onerous and far more exhausting, I may say, than the work inside the Assembly. We want an army of workers in every country to educate the hearts of the people, to make them realise the high aims and tasks of this League of Nations, and, in fact, to be propagandists, in season and out of season, amidst discouragement and cynicism and difficulties of every sort. We can spare many critics of the kind that I have alluded to, and wish for helpers, in this spirit.

We have been bidden to cast our glance down the list of contents to be able to appreciate the magnitude and variety, the delicacy and the difficulty, of the tasks undertaken by the League. That represents, no doubt, a great part of the truth. But I would ask people not merely to be content to look at the table of contents, but to turn also to the inside pages of the Report that has been presented to us. There we shall see accounts of great work undertaken and great work accomplished. It may be that the Report is not presented in an attractive and literary form, but we can read between the lines. We can read the anxiety, we can read the industry, we can read the plans carefully made and vigorously executed for the accomplishment of the record that is down therein. If the League has so far been rather cautious in undertaking work, I ask: Is that necessarily a defect? We all know how long great institutions take to strike root, and as we know that this League is breaking entirely new ground, we should wait in patience for great results, should we not? Do we not know that those who snatch before the time often fail of their grasp and come to grief? Should we rather that the League undertook impossible tasks, came into collision with the Great Powers, and tried to upset and go against human nature, and thus dash all our hopes of the future? Should we not rather praise the League for the cautious steps it takes, so that the first tasks that it undertakes it may carry on to a successful and triumphant conclusion, that it may thereby be enabled in the face of the world to undertake the greater tasks that lie ahead.

I believe in the wisdom of the old proverb that you ought not to bite off more than you can chew. That the League has limited its scope and its activity I regard rather as a merit and proof of wisdom than as an occasion for adverse criticism. Should we not wish for more? Take, for instance, this war between Greece and Turkey. We all wish that it were in the power of the League to have prevented this in the beginning, or to terminate it to-day.

It seems almost as though the nations of Europe had made up their minds that, when human passions are at their worst, instead of allaying and diverting them, the right and proper thing was to let them work themselves out in their malignant fury and virulence.

Take, again, the question of Upper Silesia. What better testimony to the promise that the League has so far held out than that the Supreme Council should, in their perplexity, have yielded up this question of great moment to the solution of this great organisation? It is a great test and a great opportunity for the League of Nations to establish itself in the heart, not only of Europe, but of the civilised world. I know that it is the Council, and not the Assembly, which is charged with the great task of settling this problem. Nevertheless, the Assembly has a mighty rôle to perform in this matter. Whether in this matter of Upper Silesia, or any other great tasks between Powers, the Council has a very delicate and a very onerous responsibility resting on its shoulders. It may do its work with the utmost impartiality, with the most conspicuous ability, with the most unwearied industry; nevertheless, for the results of its work to be acceptable, for its judgments to be taken by the Great Powers concerned; it is necessary that the sympathy and support of the Assembly should be constantly in attendance on the work of the Council at every stage. The Assembly cannot afford to efface itself in this matter. We, representing the different peoples of the world, are in a measure custodians of the peace of the world. We, I dare to say it, are the authentic voice by means of which the conscience of the world will speak. Our duty lies here, to try and understand, to wait in patience till the Council is able to take us into its confidence, and then, with due discrimination and with a sense of responsibility, to stand behind the Council and lend them our hearty support. The Council will find it necessary, therefore, from time to time to be in living touch with opinion in the Assembly, with the wishes and feelings of the Members represented here, and likewise, also, at every stage to publish such records as may be safely published, so that they may have behind them, as I said, always the moral support of the Assembly. I do not say that the Council are going to fail in giving this due publicity, but I think it is necessary, from every point of view, to add our voice to the great demand that has been made on them so far by demanding that this publicity should never at any moment be neglected.

It is just possible that in the greatness of their task the Council may feel deterred by undue public criticism. It is just possible—who knows? We are dealing with human nature—it is just possible that they may sometimes like to wrap themselves up in oligarchic mystery. It is necessary, therefore, for the Members of this Assembly to assure them that, if they treat us in the proper spirit, their goodwill and confidence will be reciprocated in abundant measure, and rewarded a thousand-fold. We, for our part, have often been criticised as representatives of the little Powers, more or less, like units in a democratic Assembly, to be treated with consideration, but never to be fully trusted, and oftentimes to be set aside as noisy brawlers.

Brother and Sister Delegates, criticism of this sort is bound to come. We know there are always plenty of people who rail at democracy, democracy whether amongst individuals or amongst the nations of the world. We have, therefore, to remember that, in the face of hostile opinion, we have got to establish ourselves as people who will do their great duty without fear or favour. Some of us may be small, and may be threatened by the larger Powers around us; others amongst us may be in search of commercial and trading facilities, and may find it necessary therefore, if they are prudent, to accommodate ourselves to the selfish plans of other people. I think that our supreme duty lies in believing, as has been pointed out by the Delegates from Belgium and Persia, that we not here to further the interests of the countries

which we may happen immediately to represent, but we must constantly bear in mind that we are, each and every one of us, bound to act in the interests of all the others; that we are cosmopolitan really, that we are citizens of the world, and not merely of the limited countries which we happen for the moment to represent. We must resolutely refuse to be bought by any bribe, whether of political privilege or of trade facilities. We must not be daunted by fears of aggression by powerful neighbours, and we must, without haste and without rest, proceed, in the daily work here, to speak and to vote in obedience solely to our conscience and our sense of duty.

Now, from the particular view of India, I have a few observations to make to which I solicit your kind and indulgent attention. One word in the beginning I must say about disarmament. On this subject we have heard weighty opinions. Mr. Balfour, in particular, in a cautious and impressive speech, marked by that fine poise and balance for which he is famous amongst the philosophers and statesmen of the world, has told us to be patient a little, and not to expect considerable results in this direction. He has reminded us that, although the war has harrowed and chastened our feelings in a very considerable measure, the character of humanity is not yet radically altered. In his own words, we do not yet constitute a peaceable world. That was quite true, when one comes to think of it, but how I wish—how, I take it, you all wish—that, for once, Mr. Balfour was in the wrong, and it was possible to promise ourselves in the immediate future a large measure of general disarmament amongst the Powers of the world. India, distracted and suffering under anxieties of a particular kind, with resources of a very limited character, largely undeveloped, would welcome disarmament, because you may remember that, although the quarrel was not ours, we willingly and gladly came into the war with our own little bit.

But, even assuming that general disarmament on a considerable scale was undertaken, it is very doubtful how far India will come in for a great share of it, for her troubles, unfortunately, come from Afghanistan and from Russia, and to some extent from Turkey also, all three of them Powers which to-day stand outside the League, but which, we hope, on some near date, will come within our League and partake of its spirit of conciliation and pacification. The attitude of India towards this League is well illustrated by the measures that our Government have so far taken to carry out the resolutions and proceedings of the Washington Conference on Labour. That great Conference was attended by the usual quota of Indian representatives. As soon as they came back they reported to us, and the result is that, almost alone amongst the Great Powers, India has not only ratified the Convention which she was bound to ratify, but she has also put on her Statute Book a law dealing with the various aspects of the labour problem dealt with at that Conference. And we have another measure, now in contemplation, and we shall proceed with the task and complete it before our next session is over.

I wish it were possible to claim for many other nations that they have also ratified and undertaken legislation in pursuance of the resolutions of the Washington Labour Conference. Nevertheless, when it comes to giving us some representation on the Bureau of the International Labour Conference, we are told that we are not amongst the great industrial Powers of the world, and we are put aside. I hope that, when the next occasion comes round for considering this matter, the claims of India as a great industrial Power, determined to be loyal to the resolutions of the Labour Conference, will be treated with greater consideration.

Then, I have two grievances to bring before you. Without grievances we cannot live, as most of you know. One of these grievances is easily remediable. The other grievance I will not say is irremediable, but it is less susceptible of a remedy.

The first grievance relates to our representation in the Secretariat of the League. I will not go into figures. I am anxious to keep on the right side with the Secretariat, and I will not antagonise them by going into any vast array of figures. But I wish to say one thing. When we are taxed for the expenses of the League, we are ranked very high indeed. We come in the first or the second class. Last time we paid about 4·8 per cent. of the expenses, and, under the new scheme, we are told we must go up to about 6 per cent. or a little over. I will mention only one or two things in this connection. Of about 351 Members of the Establishment, 138 are British, 73 are French, 16 are Swiss, and the Americans, who are not yet Members of the League—I do not grudge their share—come in for 13. Where does India stand? She has one solitary representative. I do not ask for an increase in our representation as any reward for our virtue; but I offer this suggestion to the League with every confidence: that our men, taken from the disciplined ranks of our public services, will be found not inferior to any in the world with whom they may be brought into competition, either for efficiency or for industry, or for devotion to their work, and, as a highly evolved system of administration, which has justly received the encomiums of competent critics throughout the world, I can assure the Secretariat that they will receive much valuable assistance from the Members of our Services, if only they will be good enough to take them in.

Now, for the grievance which is somewhat less remediable, and I would ask the Assembly to listen to me with some indulgence, for this is a somewhat delicate question. I refer to Mandates. Lord Robert Cecil, whose services to the League, whose zeal for her cause, and attachment to her ideals are beyond praise, has already tabled a resolution on this subject, and the President has admonished us that it would be wise to defer detailed criticism on this

question until the Committee to which it is entrusted has reported on the subject. Now, I abide by that ruling ; but my question is concerned not with the " A " and " B " Mandates with which that Committee is concerned, but with the " C " Mandates, which the Assembly, I understand, accepted last year and passed for operation. The " C " Mandates are entrusted to certain Powers whose territories lie near the mandated areas. I will read from the Article the part which deals with the point that I wish to bring before you. It says that the Mandatories ought to administer the Mandated Territories under their own laws as integral portions of their territories—" under their own laws."

Brother and sister delegates, some of these Powers that have received the " C " Mandate have laws and regulations, and habits of administration derived from those laws and regulations, which, in effect, introduce a colour bar, make invidious distinctions between white and coloured races, and in general do not hesitate to subject coloured populations within their areas to certain hardships and, I am sorry to add, even indignities. It will be in their power to apply such laws and regulations and habits of administration, under the Mandates, to those areas.

Let us remember, in the first place, that in those areas (I am referring in particular to German West Africa) the Germans did not make a colour bar or introduce these invidious distinctions ; and, furthermore, these Powers receive Mandates and execute them on behalf of the League. To use language used in another part of the Covenant, they are to regard the liberties of their subjects as a sacred trust of civilisation. Nothing has, so far, been done to occasion any complaint on my part. I am anxious, however, to take time by the forelock, and to request these Mandatory Powers to use their wide powers with discretion, and with a due regard to the sacred character of the trust that they have undertaken. In other words, to behave worthily of the great and noble objects of the League of Nations, and not merely to be content to act in conformity with their own imperial ideas. I appeal, in particular, to my friends, Lord Robert Cecil and his worthy and distinguished colleagues in the representation of South Africa in this League, so to use their undoubted moral authority and influence that neither I nor my successor in the representation of India, nor Japan, the permanently represented Power in the Council, which has also had occasion to protest against the terms of this Mandate, will find it necessary to come on this platform and tell the Assembly that we are worse off under the trustees of the League than we were under the Germans. Either rectify matters, or put us back where we were. It would be a matter of the profoundest regret for any of us to come and speak in that fashion in the Assembly. I have no doubt that it would cause you great pain and grief to hear such a thing. I venture to think that it will also be to the Council, who have issued these Mandates, a matter of great uneasiness and searching of heart.

ANNEX 2.—*Action by Sir William Meyer on the Subject of the Organisation of the Secretariat.*

A.—RESOLUTION PROPOSED IN COMMITTEE IV.

"That the national composition of the Secretariat of the League and the International Labour Bureau, as set forth in the appended statements which are compiled from statistics supplied by these two offices, is eminently unsatisfactory, some States having a representation out of all proportion to their population or their contributions to the League, while others are most inadequately represented, or not represented at all.

"To remedy this state of things, it should be laid down that hereafter no country shall have a higher percentage of the staff of the Secretariat or of the International Labour Bureau than would amount to double the percentage it subscribes to the League expenses, and that where this proportion is now materially exceeded, no further recruitment shall be made from the countries in question.

"Also, that where the excess staff consists in some degree of people under purely temporary engagements, steps should be taken as soon as possible to terminate these engagements in favour of nationals of other States who have not obtained their proper representation in the offices in question."

B.—SPEECH DELIVERED BY SIR WILLIAM MEYER IN THE ASSEMBLY ON THE 1ST OCTOBER.

We have had a very full and interesting Report before us, explained in his own delightful way by my colleague, M. Georges Noblemaire. His speech has been a real intellectual treat, but we have not yet before us any Resolution on the subject, and I have come forward to fill the gap and propose one. The Resolution I have the honour of laying before you is this :—

"The Assembly, having taken note of the Report of No. 4 Committee, approves the views there set forth, and expresses its gratitude to M. Noblemaire and his colleagues of the Expert Committee for their arduous and most useful labours."

I present this Resolution with the greater pleasure in that during the very long discussion we had on M. Noblemaire's report in Committee No. 4—for I can assure you we took nothing for granted, but discussed it paragraph by paragraph and almost line by line—that in those

disensions it fell to me, as an arduous and persistent advocate of economy, occasionally to suggest that M. Noblemaire's proposals had not gone far enough. On one occasion, I remember, when I was discussing the inadequate representation of India in the Secretariat, M. Noblemaire replied that India had a very large share of the critical faculty. But these are differences in points of detail, differences on which various people may legitimately hold various views: they do not in the least affect my admiration, which I am sure is shared by all of you, for the very arduous labours, the results of which have been put before you to-day. M. Noblemaire has been far too modest to speak in detail of all the preliminary work which he and his Committee of Experts had to go through, but I can assure you it was a very great burden, and I am sure their labours will bear great fruit, and that next year, and still more in the years afterwards, we shall find a very great improvement, both in our methods of work and in the cost.

I also hope that as years go by there will be real recognition of that recommendation which M. Noblemaire put before you, that in filling up the Secretariat appointments (and of course those in the Labour Bureau also) regard should be shown to the desirability, I might almost say the equitable necessity, of giving full consideration to the claims of diverse nationalities.

I have spoken about the Secretariat, and I would like to say (though, again, I was a critic every now and then) that we in Committee No. 4 were much indebted to the Secretariat for their ready assistance, and I would also add individually to the tribute which M. Noblemaire has paid to the work of M. Thomas, the illustrious apostle of Labour. M. Thomas came before the Committee, and on any occasion when the temperature happened to be cold, he at once raised it by the warmth and fervour of his speeches. He in some cases convinced us of the soundness of his views; in others we were perhaps more doubtful, but we were all impressed by his great ability and ardent zeal.

Ladies and Gentlemen, I will not detain you longer, but will move my Resolution, which to make it quite clear, I will read out again:—

"The Assembly, having taken note of the Report of No. 4 Committee, approves the views there set forth, and expresses its gratitude to M. Noblemaire and his colleagues of the Expert Committee for their arduous and most useful labours."

ANNEX 3. — *Memorandum by Sir William Meyer, with Resolutions moved in Committee No. IV, on the subject of the Allocation of the Expenses of the League.*

MEMORANDUM.

The Reveillaud Committee's scheme is faulty in the following respects:—

(a) It brings into account population as a separate factor, although a State whose population is poor but large gets population taken into account in the consideration of its revenues.

(b) The population and revenue figures of the colonial possessions of Great Britain, France, Belgium, and Holland have not been taken into account, and yet these obtained the benefit of the League's peace, and so on.

(c) The factor of "capacity to pay" is a most difficult one to arrive at. In every country there are disputes as to the capacity to pay between various categories of taxpayers, and this is not a question which can be solved by the consideration of revenue figures going back to the year 1913, when, moreover, the limits of certain States were materially different from what they are now.

(d) As regards Federal States, the revenues of the Central Government have only, as a rule, been taken into account, which is obviously not fair to unitary States. India is specially interested in this matter seeing that her finances are now on a federal system (they were not in 1913), the revenues of the Central and Provincial Governments being now quite distinct.

If the Provincial revenues of India are taken into consideration, so should those of the Provinces or States of other Federal countries.

(e) States cannot be simply assessed on their revenue capacity, and allowance must be made for the benefits all derive from the League. The Special Committee profess to have weighted the figures resulting from revenue and population tests with this object, but this has been done arbitrarily and inadequately, seeing that some of the States will only pay about $\frac{1}{100}$ th part of the total League Budget and the next lowest class about $\frac{1}{4}$ per cent.

(f) Nor again has account been taken of the special benefits derived by States permanently represented on the Council of the League and those, for the time being, represented on the Governing Body of the International Labour Organisation. India, on the other hand, gets very small benefit from the League.

(g) Taking as a round figure for purposes of illustration a total Budget of 25,000,000 gold francs, India would, under the present Postal Union scheme, pay 1,225,000 gold francs; under the intermediate scheme suggested in the Reveillaud Committee's Report she would pay

about the same, *viz.*, 1,256,000 gold francs; but under the final scheme she would pay about 1,655,000 gold francs.

India would have no objection to a material increase in her subscription if it were arrived at on a scientific basis, but the final scheme of the Reveillaud Committee does not afford any such criterion, and consequently my Government is entirely opposed to the final scheme, but would, for the present, fall in with the intermediate scheme.

RESOLUTION I.

While paying due homage to the zealous efforts of the Special Committee, Committee IV cannot accept their final scheme as an equitable and scientific adjustment of future contributions to the League's expenses. It contains many defects by reason of the at present inevitable use of out-of-date statistics and otherwise, and as a purely provisional allocation, the intermediate scheme suggested by the Special Committee itself at the close of the Report appears to be more suitable. It is, therefore, desirable in the interests of unanimity, that this intermediate scheme should be accepted for the present, with effect from 1921, and that its replacement by really scientific methods of adjustment should be deferred till better indices as to capacity to pay, etc., are available.

RESOLUTION II.

In the event of Committee IV deciding to adopt, by a majority, the Special Committee's final scheme, the delegate for India will move the following amendments:—

(1) That greater stress be laid on the factor that abstract relative capacity to pay should be modified with reference to the benefits accruing to all Members of the League and to certain States in particular. Consequently:—

(a) All States represented as of right on the Council of the League should be placed in Class I, as was proposed at Brussels.

(b) All States which have been admitted to the Governing Body of the International Labour Organisation in the capacity of great industrial Powers should, if not already in Class I or Class II, be placed in Class II.

(c) The subscriptions in the lower categories of the scheme should be raised, so that States in Class VII shall be assessed to contributions at not less than 8 units, States in Class VI at not less than 6 units, and States in Class V at not less than 12 units.

GENERAL RESOLUTION.

This Committee pays homage to the work done, under most difficult circumstances, by the Committee of Experts.

Considering, however, that their labours were based on ancient statistics, and time did not permit them to give full examination to factors which are essential in evolving any definite allocation among the States of the League, *e.g.*, the financial position of Federal Governments, the colonies of certain Powers, the special benefits that particular States may derive from the League, and so on:

Considering also the absolute necessity for States, which are asked to pay more than at present, being able to recognise the justice of this demand:

Committee IV proposes that the Special Committee of Experts should resume its labours, and should study the problem before it with reference to more recent statistics, and to other requisite factors.

It is hoped that in this way the Special Committee will be able to arrive at a scheme which will evoke general acquiescence, and which could hold the field for a period of, say, five years.

This course is facilitated by the fact that no change in the existing allocation, which is based on the Universal Postal Union, can be carried out without amendment of the Covenant, and that such amendment must necessarily take time.

Meanwhile, it is proposed that allocations shall continue to be on the existing basis, which is sanctified by the Covenant as it stands, and has received the adhesion of all the States Members of the League.

ANNEX 4.—*Speech delivered by Sir William Meyer in the Assembly on the 3rd October, on the subject of the Financial Administration of the League.*

I desire to pay the warmest tribute in my power to my friend M. van Eysinga for the very clear and lucid report which he has submitted to us. It was not at all an easy matter. As he has indicated, our discussions in Committee No. IV were lengthy and ranged over many topics. They were a bit confused, because every now and then our thoughts were switched off some matter to which we were devoting attention by an urgent call to vote

funds for something which the Assembly had passed that morning. We also on occasion—very rarely, I must say—exercised the privilege of changing our own minds. I was filled with admiration that out of this chaotic mass, so to speak, of decisions which we had come to, and resulting figures, M. van Eysinga has been able to produce the very clear succinct account which we have before us in the shape of his report.

I also warmly associate myself with his tribute to Sir Herbert Ames, who must have felt, sitting on our Committee, rather a weariness of the flesh, but who nobly dissembled his feelings; he was always ready to give us the information that we wanted, sometimes more than we wanted, and his accounts were presented in a very clear form. In fact, looking back, the only thing that I had not noticed on the very full statement of establishments which he presented to us was the Secretariat watch-dog! I understand that that estimable but somewhat soporific animal is on the establishment of the League and gets an allowance of 30 francs a month in consideration of the high cost of living in Geneva.

M. Thomas was very helpful to us. Last year in No. 4 Committee we were quite infants, so to speak, and I think M. Thomas considered that too much knowledge might not be good for us, so he only gave us globular estimates. We have got older and wiser this year, and M. Thomas has met all our desires for information and submitted very clear and lucid accounts.

I should also like to say that Committee No. 4 might have been sitting yet, and possibly a bit longer, if it had not been for the very excellent way in which our Chairman, M. Edwards, controlled us. He was an admirable Chairman, full of knowledge and impartiality, but also most anxious to get along, even at the cost of late night sittings.

If my friend, M. Edwards, should ever be out of a job I would recommend him to seek employment under Lord Northcliffe as a champion hustler. We had very long discussions on these estimates, as M. van Eysinga has told you, and we have been able to make considerable economies. Last year's budget amounted to 21,250,000 gold francs; that for this year, including the eleventh-hour estimate for Albania, amounts to 20,859,000 gold francs, after providing for supplementary estimates. But I want you to bear in mind that a large part of this economy is not of a permanent character. That is brought out on page 6 of the Report, where it is stated that it has been possible to deduct from the Budget of the International Labour Office an item amounting to 1,364,039 gold francs, representing the savings obtained or expected by the Labour Office up to the end of 1921. It was quite right under present circumstances to take that amount as an abatement, but it is obviously a windfall which cannot recur, whereas most of our charges will do so. Without that windfall our Budget for 1922 would have been a little more than for 1921 instead of less.

India was much to the fore in criticisms of the Budget last year, both in the Fourth Committee and in the Assembly, and I think we may say that those criticisms have resulted in a material improvement. I would specially note the fact that the outside Committee of Control which we suggested last year, but at that time fruitlessly, has now come to birth, and is going, I believe, to produce most excellent results. Remember that the sun rises in the east, and the light only comes to the west a little later. I and some others would have preferred economies this year which go beyond those that have been adopted, but I am not going to condemn the Budget because the proposals for these economies have not found acceptance. I do hope, however, that what may be deemed our folly to-day will be accepted as the wisdom of to-morrow. I entirely associate myself with what has been said in the report and by M. van Eysinga concerning the difficulties we have had with regard to fresh claims which constantly make their appearance, some of which have been passed by the Assembly on the independent report of other Committees. I am very glad that the Fourth Committee agreed unanimously to recommend the procedure that is set forth in the report, and its adoption, I am sure, will materially facilitate the regular control, and, I may add, lighten the burdens of the Secretariat. Take, as an instance, the matter of which M. van Eysinga has spoken and which was brought to our notice this morning—that of the estimate for the Albanian Enquiry. M. van Eysinga has spoken of it in a very restrained manner, considering the trouble it has caused. After all the Budget figures were tabulated and printed, we had a resolution proposed by Lord Robert Cecil—*ex Africa semper aliquid novi*—involving an addition of 100,000 francs in respect of this Committee of Enquiry in Albania. I should like in passing to pay a tribute to the universal genius of the noble Lord who represents South Africa. He is a citizen of the world, and although his country is far distant, he takes the most acute interest in the affairs of Europe and the Far East, including such lands as Albania and Armenia, and Lithuania and Russia; he busies himself in the prevention of poison gas, blockade, and other matters of international concern; but I do most respectfully wish to say, while paying homage to these manifold activities, that one can generally predict of them that in one way or another they will mean an increase in expenditure. On the other hand, in the Second Committee, I found that the senior representative of South Africa there was quite an austere economist on occasion and most laudably anxious that the League in general, and his country in particular, should not have its expenditure increased. I entirely agree with M. van Eysinga as to the absolute necessity for economies, especially in the matters connected with our technical organisations. It is an ungrateful task, as I said in the Fourth Committee, to take this line, but, after all, it is in the best interests of the League. We have to remember two great points. One of these is, as my friend M. Hanotaux told us in the Second Committee, that we must take very great care in respect

to these international organisations not to foster the idea that the League aspires to be a super-State, and to meddle with the interior affairs of other countries. The other is that additions to the Budget are very closely scrutinised when the time comes to pay for them by the Parliaments of the world, and especially by these very distant lands, who—I exclude South Africa, of course—take perhaps a very moderate interest in the affairs of the League and are not conscious of deriving any great benefit from its activities. It is most essential that we should not give a handle to those who attack the League on the ground of increasing extravagances, that we should be free from this reproach and should show them that we are thoroughly desirous of keeping down expenses as far as may be, and that we are going to try and combine economy with efficiency. I will not take up your time longer. Last year I had to be a severe critic; this year, speaking on behalf of India, I give a hearty welcome to the Budget as presented, and to the reforms that have been effected, and express the confidence that these reforms will, as time goes on, be extended still further.

PRINTED BY
SUPERINTENDENT GOVERNMENT PRINTING, INDIA.
DELHI

